

8/15/77 [1]

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	From Blumenthal to The President (2 pp.) re: Steel Industry Problems/ enclosed in Hutcheson to Blumenthal 8/15/77 <i>open 4/24/07</i>	8/15/77	A
memo	From Frank Press to The President (2 pp.)	8/15/77	A

FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of the Staff Sec.- Pres. Hand-writing File 8/15/77 [1] Box 44

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
 (B) Closed by statute or by the agency which originated the document.
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THE PRESIDENT'S SCHEDULE

Monday - August 15, 1977

Revised
8/15
3:30

8:30 Dr. Zbigniew Brzezinski - The Oval Office

10:15 Honorable Hobson R. Reynolds and Delegation from The
10 mins Improved Benevolent Protective Order of Elks of the World
to present the Elijah Lovejoy Award (Ms. Fran Voorde)
The Oval Office

10:30 Mr. Jody Powell - The Oval Office

11:00 Mr. Hugh Sidey Interview for World Book (Mr. Jody Powell)
30 mins The Oval Office

11:45 Honorable Alan Boyd (Mr. Stuart Eizenstat)
15 mins The Oval Office

12:15 Lunch with Honorable Henry A. Kissinger
The Oval Office

1:00 Mr. Bert Lance, Mr. James McIntyre, et al.
45 mins The Cabinet Room

2:00 Secretary Ray Marshall and Mr. Bill Miller, President of
15 mins Textron and Chairman of HIRE program (Mr. Jack Watson)
The Oval Office

2:30 Matthew Brown, National Muscular Dystrophy Poster Child
10 mins (Ms. Fran Voorde) - The Oval Office

5:45 Depart South Grounds

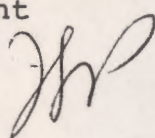
11:00 AM

THE WHITE HOUSE
WASHINGTON

August 11, 1977

MEMORANDUM

TO : The President

FROM: Jody Powell 

BRIEFING SHEET
FOR PRESIDENT'S
11:00 A.M. MEETING
MONDAY, AUGUST 15, 1977

I. PARTICIPANTS IN THE MEETING

- A. Hugh Sidey, Bureau Chief of TIME Magazine -- doing this exclusively for World Book -- not to be run in Time.
- B. Wayne Wille, Executive Editor of World Book's Year Book.

II. PURPOSE OF THE MEETING

Presidential interview to be included in World Book's Year Book. Wille and Sidey will be asking about the presidency -- "both philosophically and down to nuts and bolts" of your day.

III. PRESS COVERAGE

White House photographer; White House stenotype reporters will make a transcript of the interview.

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2:00 PM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

August 13, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Jack Watson *Jack*

SUBJECT: Your Meeting with Secretary Ray Marshall and William Miller, President of Textron Monday, August 15, 1977 2:00 - 2:15 pm Oval Office

The purpose of the meeting is to discuss your interest in having the National Alliance of Businessmen (NAB) revitalized; Miller is Chairman-designee of NAB. Ray feels strongly that under Miller's leadership, NAB can play a vital role in securing private sector support for our employment and training programs.

NAB was established in 1968 by President Johnson in a message to Congress; its mandate was to provide job opportunities in the private sector for the country's poor and disadvantaged. It has also had these additional mandates through the years:

- to help Vietnam veterans find employment;
- to provide summer jobs for needy youth;
- to find jobs for ex-offenders;
- to promote hiring of welfare recipients with use of the WIN tax credit;
- to establish the HIRE program to find jobs for 100,000 veterans.

As you know, Miller is Chairman of the HIRE program and is actively seeking job pledges from business and industry for training and employing veterans. Although he has been very successful in securing the pledges, and the states have responded enthusiastically to your request for help in referring veterans, there is a lag in actually getting the veterans placed in the jobs and working.

NAB will receive about \$9,600,000 from DOL next year. Ray believes that, with your support and encouragement, Miller will devote his time and attention to helping us develop the best possible linkage between the private sector and our employment programs.

You have received an invitation to speak at NAB's conference here on September 13th; Fran is holding it until after this meeting.

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THE PRESIDENT HAS SEEN.

STATEMENT MADE BY THE GRAND EXALTED RULER OF THE IMPROVED BENEVOLENT AND PROTECTIVE ORDER OF ELKS OF THE WORLD ON THE OCCASION OF HIS MEETING AT THE WHITE HOUSE WITH THE PRESIDENT OF THE UNITED STATES, JIMMIE CARTER, MONDAY, AUGUST 15, 1977

The Honorable Jimmy Carter
President of the United States of America

May I first take this opportunity to thank you personally, and on behalf of the Improved Benevolent and Protective Order of Elks of the World, for your kind invitation to visit with you here in the White House.

There is a kind of humility on our part in the reaction to the President of our nation's invitation to meet with him. That attitude springs from the vocal efforts you have made on behalf of human rights throughout the world. We believe that the invitation from you with the concerns you have expressed in the area of human concern is similar to those that have been an integral part of our Order since its inception.

The Improved Benevolent and Protective Order of Elks of the World was born from a denial of human rights. It was the desire of our founders to join with the existing "white Elks", but they would have none of this. We felt the principals of Elkdom, regardless of the color of the enunciators, were valuable as a starting point for an organization.

You should know, Mr. President, that the founders of the Improved Benevolent and Protective Order of Elks of the World did not react against others when the opportunity to involve themselves in our program arose, we gave them the chance. We have been proponents of Human Rights since our inception.

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2 - Mr. President

We would be remiss if we utilized the time in meeting with you merely to express our appreciation, because moments such as these do not come frequently, hence we must make the most of it.

We are appreciative of your stance on human rights. In such an attitude we believe that it is important to share with you the fact that your stance coincides with our total program: One that suggests an emphasis on the furtherance of brotherhood.

We are speaking about an organization of more than four hundred thousand dues paying members. They are members who work; they are members who may be on welfare. Some are very wealthy; some are very poor, but they have found through Elksdom a sense of being which transcends status that relates to educational or financial qualification.

We are an organization, the largest fraternal predominantly Black group in this nation which has maintained itself for more than seventy-eight years.

We have spent our money to encourage our youth towards educational achievement; we have recognized the value of beauty and talent in the female youth and rewarded them for attaining specific goals; we have enhanced communities with our presence through our annual parade which is in a sense our trade mark; we have consistently concerned ourselves with the health of our members with developing a capability of dispensing health information which would improve the physical condition of our members and those with whom they communicate. In that context, at this convention, we maintain health facilities to help our members immediately. We do

3 - Mr. President

not forget our senior members, remembering them through the development of a recreational facility to which they can vacation at reasonable cost, and a burial fund to assist at a time of great sorrow to the bereaved.

The Elks have operated on a pay as you go basis, and can say to you at this moment that we are a self sustained organization, interested in advancing the cause of this nation as a full fledged member of its society.

The Elks have a foundation of concern with Human Rights, and we are overjoyed that you have given the prestige of your office to enhance this concern. We bring, in such a statement, a recommendation for you to consider which may make your interest in human rights more meaningful. We are seeking a joint venture with you through the Executive Branch of our government and the Elks.

The question of Human Rights came to the fore with Black Americans when Richard Allen, the nation's first Black Bishop, called the first convention of Colored peoples in 1830 to thwart the efforts to deny human rights to Free Blacks--some 300,000 of that day. Ten years later, Frederick Douglas participated in another convention to attempt to assure the recognition of Human Rights. In the late 1800's, A Niagara Conference was called by Black Leadership to establish the concept of Human Rights. It was from that conference the NAACP had its being.

The desire to secure human rights, which many Blacks thought existed in the North, causing them to migrate in that direction, resulted in the formation of the Urban League. Since that time, many other organizations have sprung up in an attempt to gain these

4 - Mr. President

same Human Rights that you have so eloquently enunciated.

The March on Washington was a reiteration of the desires expressed in the first convention of Colored Peoples, and the accomplishment is yet to be attained.

The Elks believe that the time has come for Black Leadership to address itself to a clarification of this vital issue. We are therefore asking you to joint-venture with us towards the development of a Black summit on Human Rights.

We are asking you, Mr. President, to support this summit by furnishing the materials for, and findings of, such a summit. The Elks will furnish The Hobson R. Reynolds Elks National Shrine their facilities at Winton, North Carolina for the convening of the event.

As the Grand Exalted Ruler, I will suggest personalities to work with individuals you may assign to ascertain the feasibility of this recommendation. I will then select a steering committee, if the suggestion is approved, who will come together to develop an agenda, and determine the kind of responsibility participating organizations must assume.

We are suggesting that the time has come for our government to talk WITH its largest minority, and create an atmosphere for its leadership to be heard regarding constructive ways that the problem of human dignity can be established in every kind of discipline.

Mr. President, let me assure you that the Improved Benevolent and Protective Order of Elks is not attempting to decide which organization shall do WHAT, or what PHILOSOPHY Black Americans should follow. We are only indicating our willingness to be the catalyst, and offer our facility. Historically, we have supported all

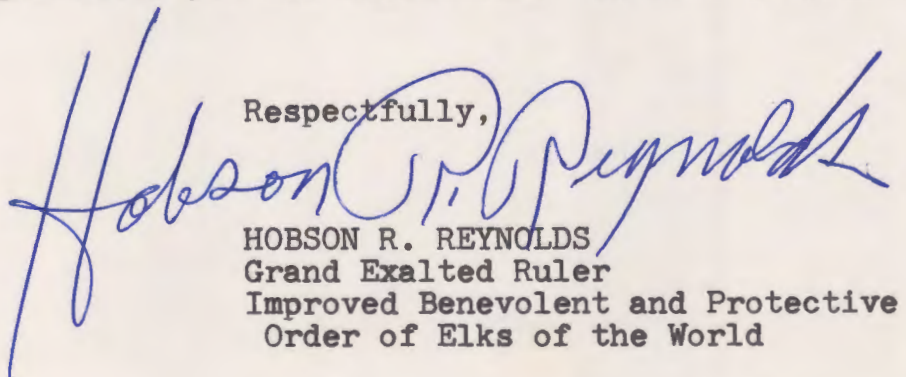
5 - Mr. President

organizations and individuals who have functioned consistent with our goals, and that we shall continue. We believe it is important to this nation that such a conference be held using your influence, we wish to help you succeed in your interest, which, like other organizations is consistent with ours.

Finally, Mr. President, I, as the titular head of the largest predominantly Black Fraternal group operating at a national level, and in concert with the wishes of our Trustees, have deemed it advisable to set the attitude you have expressed relating to the area of human rights, as something special. We have established the Benjamin Franklin Howard award, named after our Founder--the first of its kind--to signify the uniqueness of your contribution by bringing to the world community the basis problem of human suffering, through an enunciation of national concern for the rights of all people, under the aegis of HUMAN RIGHTS.

We hope it will inspire you to keep the faith, and enable you to maintain the struggle until you are successful. We will be with you.

Respectfully,

A large, stylized handwritten signature in blue ink, which appears to read "Hobson R. Reynolds". The signature is written over the typed name and title.

HOBSON R. REYNOLDS
Grand Exalted Ruler
Improved Benevolent and Protective
Order of Elks of the World

THE PRESIDENT HAS SEEN.

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THE WHITE HOUSE

WASHINGTON

August 15, 1977

C

MEMORANDUM FOR:

THE PRESIDENT

FROM:

MARGARET COSTANZA *MC*

RE:

Roundtable discussion between Jewish
Community Representatives and Agency
Officials - August 1, 1977
(List of participants attached)

PURPOSE:

The purpose of this meeting was to give the
"working level" Jewish leadership who would
not otherwise have access to agency officials
(i.e. local federation directors, the executive
directors of national organizations, respected
rabbis, Jewish press persons, heads of women's
divisions, etc.) the opportunity to dialogue
with the people who conduct Administration policy
on the Middle East.

PARTICIPANTS:

Jewish participants were selected with the objec-
tive of assembling a variety of perspectives. The
Department of State, National Security Council and
Department of Defense were represented.

FORMAT:

The group was limited to 21 participants. In order
to promote a free-flowing dialogue, a formal agenda
was not utilized.

ISSUES:

The main issues raised during the discussion by the
Jewish representatives were as follows:

1. What does Secretary Vance hope to accomplish
during his trip to the Middle East, and why is
The President so seemingly optimistic?
2. There is concern in the community that in this
pre-conference era we run the risk of relieving the
Arabs of the responsibility for direct negotiations
with Israel.
3. The American position going back to 242 was
tampered with by the last Administration, putting
the United States in the role as mediator. Many
in the community are now frightened into the
suspicion that the United States has become the
ultimate guarantor of settlement -- but for only
one of the parties. The role of the United States

X

August 15, 1977

in negotiations should be to hold out for a settlement truly based on 242 and 338.

4. If the PLO recognize Israel's right to exist, will this force major concessions on Israel? Does Israel have to negotiate its right not to commit suicide?

5. Why must there be a sale of F-16's to Saudi Arabia -- there is no Arab state which is threatened in its survival.

We have received letters from both agency officials and Jewish community participants commending the openness of the meeting and the usefulness of such dialogue.

THE WHITE HOUSE

WASHINGTON

Participants - Roundtable Meeting - Monday, August 1, 1977

Mr. Phil Baum, Associate Director
American Jewish Congress

Mr. Neil Cooper, Chairman
Young Leadership Conference
United Jewish Appeal

Mr. Ben Epstein, National Director
Anti-Defamation League

Mr. Herb Fierst
American Jewish Committee

Mr. Ralph Goldman, Executive Director
Joint Distribution Committee

Dr. David H. Goldstein, Executive Director
Jewish Community Relations
Bureau of Kansas City

Dr. Norman Lamm, President
Yeshiva University

Mr. Ben Leuchter,
Publisher
Vineland, New Jersey

Ms. Irene Manekofsky, Vice President
Union of Councils for Soviet Jewry
7334 Eldorado Street
McLean, VA

Rabbi Israel Miller, Director
Israel Task Force, NACRAC
Yeshiva University

Mr. Norman Podhoretz, Editor
Commentary Magazine

Mrs. Harriet Rosenthal, Chairwoman
International Affairs Committee
National Council of Jewish Women

Mrs. Harriet Zimmerman
3515 Paces Ferry Road
Atlanta, Georgia

Mr. Gary Ratner
Business Leader, Chicago, Illinois

Continued....

Leslie A. Janka,
Deputy Assistant Secretary of Defense
for East Asian, Middle Eastern &
African Affairs

Anthony Lake,
Director, Policy Planning Staff
Department of State

Nicholas Veliotos,
Deputy Assistant Secretary of State,
Near Eastern & South-Asian Affairs

Gary Sick,
National Security Council
Middle East Affairs

Margaret Costanza,
Assistant to The President

Robert J. Lipshutz,
Counsel to The President

Joyce R. Starr - Moderator
Office of Public Liaison

THE WHITE HOUSE
WASHINGTON

August 15, 1977

Bob Lipshutz -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Jody Powell
Hugh Carter
Mike Cardozo

Re: Presidential Papers &
Carter Library

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

cc Mike Cardozo

ACTION
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
X	LIPSHUTZ
	MOORE
X	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
X	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

الحمد لله الذي جعلنا من عباده المخلصين

Mr. President:

No comments from Senior Staff.

Rick

THE WHITE HOUSE
WASHINGTON

August 9, 1977

*Bob
J*

THE PRESIDENT HAS SEEN.

MEMORANDUM FOR THE PRESIDENT

FROM:

HUGH CARTER *HC*
ROBERT LIPSHUTZ
MICHAEL CARDOZO *MC*

RL

Attached is a memorandum addressing two important but not urgent issues: the disposition of your Presidential papers and the establishment of a Carter Library.

The memorandum is lengthy, but we thought you would want to be fully informed on this subject. We suggest you read it at your leisure, as there is no need for immediate decisions.

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THE WHITE HOUSE

WASHINGTON

August 8, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*
ROBERT J. LIPSHUTZ *RJL*
MICHAEL CARDOZO *MC*

SUBJECT: Disposition of Your Presidential Papers;
Establishment of a Carter Library

Background

Papers originated, developed and received by the President and members of his staff have, by custom and tradition, been deemed to be the personal property of the President of the United States.

Early Presidents removed their Presidential papers as private property; their heirs sometimes donated or sold the papers to the United States. The Library of Congress has 23 collections of Presidential papers. Other collections are in non-federal repositories. However, since the Administration of Herbert Hoover, the Presidential papers of each President, with the exception of Richard Nixon, have been donated by the former Presidents, or the executors of their estates, to the federal government for preservation and display in a Presidential library.

Presidential papers may be defined as: all papers made or received by your office, as well as by White House staff members and those whose sole function is to advise and assist the President, including correspondence; Presidential speeches and messages, and drafts thereof; telephone records; internal and external memoranda; memoranda of conversations; memoranda to the files; official records and documents, and such other communications, gifts, photographs and other audio visual records, and other materials as may properly be considered to be the product of your office and that of your staff members, or is received by those offices and individuals. These are largely found within the White House Office of the President.

Congress seized control of all papers relating to the Presidency of Richard M. Nixon when it enacted the Presidential Recordings and Materials Preservation Act. That Act, recently upheld in the Supreme Court's decision in Nixon v. Administrator of General Services, directs the General Services Administration to take possession and control of the Nixon Presidential materials. Access to those materials is to be governed by regulations issued by the General Services Administration and approved by the Congress. However, as the Supreme Court stated in its opinion in Nixon v. Administrator, Mr. Nixon is in a "class of one". The Presidential Recordings and Materials Preservation Act does not apply to the Presidential papers of any other President. Accordingly, the Presidential papers of your Administration are deemed to be your personal property and you may dispose of them as you wish.

However, should you indicate an intention to destroy some or all of your papers, as Mr. Nixon did, or express the intent to retain them in perpetuity, first as your personal property and then as the property of your heirs, it is likely that Congress would enact legislation similar to the Presidential Records and Materials Preservation Act, establishing federal custody and control of your papers.

In response to a question at one of your press conferences, and in approving our recent memorandum on disposition of the papers of White House staff members, you indicated that you intended to donate your papers to the Federal government. The Presidential Libraries Act, enacted in 1955, establishes procedures facilitating transfer of Presidential papers to the Federal government. The Act authorizes the Administrator of General Services to accept title to land, buildings and materials offered as a gift to the United States and to maintain and operate such facilities and materials as a Presidential archival depository. The Act does not allow the Federal government to expend funds for the acquisition of land or construction of a Presidential library. The Act authorizes the Administrator of General Services to provide office space in a Presidential archival depository (library) for the personal use of the former President.

The Former Presidents Act is another authority under which the government may provide staff and office space to a former President, without restriction as to its location. Accordingly, as a former President, you may have one office in the Carter Presidential Library and another office in a different location, selected by you.

Your personal retention of your papers after you leave office is not advisable for the following reasons: the precedent established by recent presidents; your publicly expressed intention to donate your papers to the Federal government; the prohibitive cost of private maintenance; and the probable adverse public reaction to personal retention. Accordingly, it is our recommendation that you now express in writing your intention to donate, at the conclusion of your Administration, your presidential papers to the nation for preservation and availability to the public in a Carter presidential library. /

APPROVE _____
(recommended)

DISAPPROVE _____

The Public Documents Commission

The Public Documents Commission was established by the Presidential Materials and Preservation Act to review the proper disposition of papers of federal officials in all three branches of government.

The Public Documents Commission has recommended to you and to the Congress the enactment of legislation that would declare the papers and other materials of the President (as well as the Vice President, Members of Congress and judges) to be public property under terms that would allow the office holder to control access for a period of 15 years after office. While the proposed legislation is prospective and would not necessarily apply directly to your materials, the arrangements you make should be comparable to the PDC recommendations in terms of benefit to the public interest. By taking the steps recommended in this memorandum - e.g. letter of intent, codicil to will, and Deed of Gift resulting in donation of papers to the Federal government, you may effectively moot the need for legislation affecting your papers.

In its Final Report, the Public Documents Commission recommended that a distinction be made between certain political papers, which could be considered personal property of the President, and Presidential public papers, which would belong to the Government.

According to the Commission, materials relating to personal participation in party politics that are neither received nor created in the course of conducting the constitutional or

statutory duties of the President should be considered personal papers of the President. The Commission recommended that such materials be filed separately from Presidential public papers, which should consist of all materials relating to the constitutional or statutory duties of the President.

The filing of your papers affects eventual access to them and is a proper matter for further review by us and the Archivist. We are prepared to undertake such a review.

Conveyance of Papers

Most Presidents have indicated their intention to donate their Presidential papers to the Federal government by transmitting a letter of intent to the Administrator of General Services. We recommend that you execute such a letter now, while you are in office.

Toward the end of your Administration, we recommend that you execute a Deed of Gift conveying title to your papers to the Federal government and specifying the conditions under which they are to be administered. These conditions may include:

1. A statement of your desire that your papers be deposited in a Presidential library which is to be constructed or adapted for housing those papers, at a site of your choice. sk
2. A description of procedures to be followed in processing the papers and time limits on access to those papers. sk
3. A provision for future assignment of copyright to the unpublished Presidential papers. sk

President Ford was the first President to donate his governmental papers (Presidential and Congressional) to the Federal government before he left office. His Deed of Gift transferred title to the government in December 1976. If you do not transfer title at the end of your Administration, you may be criticized for making a retrogressive arrangement.

We further recommend that you execute a codicil to your will which will provide for the transfer of title to your papers to the Federal government should you die in office. This codicil should contain basic conditions controlling access to the papers, just as your Deed of Gift will so provide.

If you concur, we will draft a Letter of Intent to the Administrator of General Services, informing him of your intention to donate your Presidential Papers to the nation at the conclusion of your Administration.

APPROVE _____ DISAPPROVE _____
 (recommended)

If you concur, we will assist your attorney in drafting a codicil to your will. That codicil will convey your Presidential papers to the nation upon your death, but with such conditions and restrictions as you deem appropriate.

APPROVE _____ DISAPPROVE _____
 (recommended)

The Carter Presidential Library; Funding and Site:

Funding

As is stated above, the Presidential Libraries Act authorizes the Administrator of General Services to accept for deposit the papers and other historical materials of a President, or former President, along with the papers of other persons relating to or contemporary with him. Moreover, the Act authorizes the Administrator to accept and take title, on behalf of the United States, to land, buildings and other equipment offered as a gift for purposes of establishing a Presidential library. In addition, the Administrator can enter into agreements with any state, university or foundation to use as a Presidential archival depository, land, buildings and equipment made available by them with the transfer of title.

The Presidential Libraries Act does not give the Federal government the authority to construct Presidential libraries. Accordingly, former Presidents, or the executors of their estates, have usually turned to private, non-profit organizations or foundations, or to state and local governmental units for construction of the library itself. Existing foundations expanded their activities to fund the Hoover and Eisenhower Libraries. Special, non-profit corporations raised the funds for the Roosevelt, Truman and Kennedy libraries. The Gerald R. Ford Commemorative Committee, Inc. is raising funds for the two Ford facilities. The Archivist has advised that:

- The Johnson Library was constructed by the University of Texas on its Austin campus. Through an agreement between the University of Texas system and the United States Government, the building and land remain university property. Federal employees staff, operate, maintain and protect the building.
- The Kennedy Library is being constructed by the John F. Kennedy Library Corporation on the University of Massachusetts Columbia Point campus. Through agreements between the Kennedy Library Corporation, the University of Massachusetts and the United States Government, the building and land will be deeded to the United States.
- The Ford Library, to be established in Michigan, will consist of two structures. The University of Michigan will construct a research facility on one of its Ann Arbor campuses, which it will make available to the government for use as a Presidential archival depository. A community organization will provide the government with a museum facility in Grand Rapids, Michigan. Construction and administration of the dual Ford facilities is expected to cost almost twice as much as would a single, integrated Presidential library.

You may be aware that there are a number of individuals and institutions, most of them in Georgia, which have communicated to us a strong interest in helping to establish a Carter Presidential Library; almost all proposed sites are in Georgia. For example, nearly all of the colleges and universities in the Atlanta area have formed a consortium, with the intent of convincing you that Atlanta is the appropriate site for your library. If the consortium is successful, and you decide to establish the library there, we suspect that the consortium will disband and each institution will compete with the others in an effort to have the library established on its campus.

Individuals from various parts of Georgia have written and called us offering property for sale or for donation for use as the site of the library.

We recommend that you establish soon an advisory committee to determine the best method for raising funds and to recommend to you possible sites for your library. Membership on such

a committee will be highly prestigious. Its members should possess the following characteristics: fund-raising ability; political acumen; and if the library is to be in Georgia, some committee members should be highly respected Georgians. This advisory committee may be the predecessor to a Georgia state chartered body (i.e. foundation or non-profit corporation) empowered to raise and dispense funds.

Please indicate whether or not you approve of the establishment of such a committee. We will be happy to make suggestions as to potential members and advise you of those persons who have expressed interest in working on this project.

APPROVE DISAPPROVE
(recommended)

Site: Sumter County v. Atlanta

A Carter Presidential Library could be established anywhere in the United States. However, we assume that you will want the Carter Presidential Library established somewhere in Georgia, presumably either in Sumter County, the environs of Atlanta or at the University of Georgia in Athens. Any other Georgia city in which there is a university would certainly be a logical site.

Sumter County

If you intend to retire in Plains, you would be near the library, could utilize the office provided for you in the library, and could participate in various functions at the library. Visitors to the library would have a first-hand impression of the area in which you grew up. The Plains High School building where you went to school should be considered as a possible site for the library.

Atlanta

Researchers and visitors could reach the library through Atlanta's convenient air, train and bus lines. There are excellent roads for automobile visitors. There are a number of universities in the area which offer post-graduate studies; their students and faculty members would benefit from the library's research facilities and programs. Researchers visiting your Presidential library would have easy access to the Georgia State Archives where your gubernatorial records are stored. There are existing Federal facilities in Atlanta which are available to provide temporary storage for your papers while the library is being constructed.

At our request, the Archivist of the United States submitted a memorandum on the establishment of a Carter Library. On the subject of site selection, the memorandum concluded:

- "Experience has demonstrated that Presidential Libraries most effectively are located in an urban area and in association with universities with graduate schools.
- "Whether an Atlanta or Sumter County location is selected, the Presidential library site should have certain characteristics:

"It should be conveniently accessible from all parts of the nation by public air, rail, and ground transportation and by private automobile.

"It should be served by roadways able to carry easily a heavy flow of traffic to its immediate community.

"The library grounds or adjacent areas should have adequate parking for visitors and employees.

"The area must be able to accommodate and serve large numbers of tourists, approximately one-half million annually."

*Don't
exclude
Atlanta
as a
3rd
possibility*

If you retire in Plains and your library is to be established in Atlanta, archivists will make available to you in Plains any of your files and materials for as long as you want them there. The Former President's Act would permit you to establish an office in Plains.


Establishment of an Archival Office Now

We recommend that you approve the establishment of a small office in the Executive Office Building to be staffed by representatives of the Presidential Libraries staff of the National Archives and Records Service. This staff would

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for Preservation Purposes**

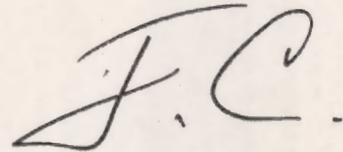
immediately begin to help: maintain the Presidential diary; identify and catalog individuals in photographs and videotape films; work with the Central Administrative Unit in the filing of Presidential papers; begin microfilming papers, records and documents; and conduct exit interviews with departing staff members. Archivists have advised us that the establishment of such an office would, in the long run, save money since the above procedures would have to be conducted upon receipt of your papers by the Federal government and can be now done with fewer people and in less time than after the conclusion of your Administration.

APPROVE



(recommended)

DISAPPROVE _____



**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

August 9, 1977

*Bob
J*

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*
ROBERT LIPSHUTZ *RL*
MICHAEL CARDOZO *MC*

Attached is a memorandum addressing two important but not urgent issues: the disposition of your Presidential papers and the establishment of a Carter Library.

The memorandum is lengthy, but we thought you would want to be fully informed on this subject. We suggest you read it at your leisure, as there is no need for immediate decisions.

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

August 8, 1977

MEMORANDUM FOR THE PRESIDENT

FROM:

HUGH CARTER *HC*

ROBERT J. LIPSHUTZ *RJL*

MICHAEL CARDOZO *MHC*

SUBJECT:

Disposition of Your Presidential Papers;
Establishment of a Carter Library

Background

Papers originated, developed and received by the President and members of his staff have, by custom and tradition, been deemed to be the personal property of the President of the United States.

Early Presidents removed their Presidential papers as private property; their heirs sometimes donated or sold the papers to the United States. The Library of Congress has 23 collections of Presidential papers. Other collections are in non-federal repositories. However, since the Administration of Herbert Hoover, the Presidential papers of each President, with the exception of Richard Nixon, have been donated by the former Presidents, or the executors of their estates, to the federal government for preservation and display in a Presidential library.

Presidential papers may be defined as: all papers made or received by your office, as well as by White House staff members and those whose sole function is to advise and assist the President, including correspondence; Presidential speeches and messages, and drafts thereof; telephone records; internal and external memoranda; memoranda of conversations; memoranda to the files; official records and documents, and such other communications, gifts, photographs and other audio visual records, and other materials as may properly be considered to be the product of your office and that of your staff members, or is received by those offices and individuals. These are largely found within the White House Office of the President.

Congress seized control of all papers relating to the Presidency of Richard M. Nixon when it enacted the Presidential Recordings and Materials Preservation Act. That Act, recently upheld in the Supreme Court's decision in Nixon v. Administrator of General Services, directs the General Services Administration to take possession and control of the Nixon Presidential materials. Access to those materials is to be governed by regulations issued by the General Services Administration and approved by the Congress. However, as the Supreme Court stated in its opinion in Nixon v. Administrator, Mr. Nixon is in a "class of one". The Presidential Recordings and Materials Preservation Act does not apply to the Presidential papers of any other President. Accordingly, the Presidential papers of your Administration are deemed to be your personal property and you may dispose of them as you wish.

However, should you indicate an intention to destroy some or all of your papers, as Mr. Nixon did, or express the intent to retain them in perpetuity, first as your personal property and then as the property of your heirs, it is likely that Congress would enact legislation similar to the Presidential Records and Materials Preservation Act, establishing federal custody and control of your papers.

In response to a question at one of your press conferences, and in approving our recent memorandum on disposition of the papers of White House staff members, you indicated that you intended to donate your papers to the Federal government. The Presidential Libraries Act, enacted in 1955, establishes procedures facilitating transfer of Presidential papers to the Federal government. The Act authorizes the Administrator of General Services to accept title to land, buildings and materials offered as a gift to the United States and to maintain and operate such facilities and materials as a Presidential archival depository. The Act does not allow the Federal government to expend funds for the acquisition of land or construction of a Presidential library. The Act authorizes the Administrator of General Services to provide office space in a Presidential archival depository (library) for the personal use of the former President.

The Former Presidents Act is another authority under which the government may provide staff and office space to a former President, without restriction as to its location. Accordingly, as a former President, you may have one office in the Carter Presidential Library and another office in a different location, selected by you.

Your personal retention of your papers after you leave office is not advisable for the following reasons: the precedent established by recent presidents; your publicly expressed intention to donate your papers to the Federal government; the prohibitive cost of private maintenance; and the probable adverse public reaction to personal retention. Accordingly, it is our recommendation that you now express in writing your intention to donate, at the conclusion of your Administration, your presidential papers to the nation for preservation and availability to the public in a Carter presidential library.

APPROVE

(recommended)

DISAPPROVE

The Public Documents Commission

The Public Documents Commission was established by the Presidential Materials and Preservation Act to review the proper disposition of papers of federal officials in all three branches of government.

The Public Documents Commission has recommended to you and to the Congress the enactment of legislation that would declare the papers and other materials of the President (as well as the Vice President, Members of Congress and judges) to be public property under terms that would allow the office holder to control access for a period of 15 years after office. While the proposed legislation is prospective and would not necessarily apply directly to your materials, the arrangements you make should be comparable to the PDC recommendations in terms of benefit to the public interest. By taking the steps recommended in this memorandum - e.g. letter of intent, codicil to will, and Deed of Gift resulting in donation of papers to the Federal government, you may effectively moot the need for legislation affecting your papers.

In its Final Report, the Public Documents Commission recommended that a distinction be made between certain political papers, which could be considered personal property of the President, and Presidential public papers, which would belong to the Government.

According to the Commission, materials relating to personal participation in party politics that are neither received nor created in the course of conducting the constitutional or

statutory duties of the President should be considered personal papers of the President. The Commission recommended that such materials be filed separately from Presidential public papers, which should consist of all materials relating to the constitutional or statutory duties of the President.

The filing of your papers affects eventual access to them and is a proper matter for further review by us and the Archivist. We are prepared to undertake such a review.

Conveyance of Papers

Most Presidents have indicated their intention to donate their Presidential papers to the Federal government by transmitting a letter of intent to the Administrator of General Services. We recommend that you execute such a letter now, while you are in office.

Toward the end of your Administration, we recommend that you execute a Deed of Gift conveying title to your papers to the Federal government and specifying the conditions under which they are to be administered. These conditions may include:

1. A statement of your desire that your papers be deposited in a Presidential library which is to be constructed or adapted for housing those papers, at a site of your choice. sk
2. A description of procedures to be followed in processing the papers and time limits on access to those papers. sk
3. A provision for future assignment of copyright to the unpublished Presidential papers. sk

President Ford was the first President to donate his governmental papers (Presidential and Congressional) to the Federal government before he left office. His Deed of Gift transferred title to the government in December 1976. If you do not transfer title at the end of your Administration, you may be criticized for making a retrogressive arrangement.

We further recommend that you execute a codicil to your will which will provide for the transfer of title to your papers to the Federal government should you die in office. This codicil should contain basic conditions controlling access to the papers, just as your Deed of Gift will so provide.

If you concur, we will draft a Letter of Intent to the Administrator of General Services, informing him of your intention to donate your Presidential Papers to the nation at the conclusion of your Administration.

APPROVE _____

(recommended)

DISAPPROVE _____

If you concur, we will assist your attorney in drafting a codicil to your will. That codicil will convey your Presidential papers to the nation upon your death, but with such conditions and restrictions as you deem appropriate.

APPROVE _____

(recommended)

DISAPPROVE _____

The Carter Presidential Library; Funding and Site:

Funding

As is stated above, the Presidential Libraries Act authorizes the Administrator of General Services to accept for deposit the papers and other historical materials of a President, or former President, along with the papers of other persons relating to or contemporary with him. Moreover, the Act authorizes the Administrator to accept and take title, on behalf of the United States, to land, buildings and other equipment offered as a gift for purposes of establishing a Presidential library. In addition, the Administrator can enter into agreements with any state, university or foundation to use as a Presidential archival depository, land, buildings and equipment made available by them with the transfer of title.

The Presidential Libraries Act does not give the Federal government the authority to construct Presidential libraries. Accordingly, former Presidents, or the executors of their estates, have usually turned to private, non-profit organizations or foundations, or to state and local governmental units for construction of the library itself. Existing foundations expanded their activities to fund the Hoover and Eisenhower Libraries. Special, non-profit corporations raised the funds for the Roosevelt, Truman and Kennedy libraries. The Gerald R. Ford Commemorative Committee, Inc. is raising funds for the two Ford facilities. The Archivist has advised that:

- The Johnson Library was constructed by the University of Texas on its Austin campus. Through an agreement between the University of Texas system and the United States Government, the building and land remain university property. Federal employees staff, operate, maintain and protect the building.
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- The Ford Library, to be established in Michigan, will consist of two structures. The University of Michigan will construct a research facility on one of its Ann Arbor campuses, which it will make available to the government for use as a Presidential archival depository. A community organization will provide the government with a museum facility in Grand Rapids, Michigan. Construction and administration of the dual Ford facilities is expected to cost almost twice as much as would a single, integrated Presidential library.

You may be aware that there are a number of individuals and institutions, most of them in Georgia, which have communicated to us a strong interest in helping to establish a Carter Presidential Library; almost all proposed sites are in Georgia. For example, nearly all of the colleges and universities in the Atlanta area have formed a consortium, with the intent of convincing you that Atlanta is the appropriate site for your library. If the consortium is successful, and you decide to establish the library there, we suspect that the consortium will disband and each institution will compete with the others in an effort to have the library established on its campus.

Individuals from various parts of Georgia have written and called us offering property for sale or for donation for use as the site of the library.

We recommend that you establish soon an advisory committee to determine the best method for raising funds and to recommend to you possible sites for your library. Membership on such

a committee will be highly prestigious. Its members should possess the following characteristics: fund-raising ability; political acumen; and if the library is to be in Georgia, some committee members should be highly respected Georgians. This advisory committee may be the predecessor to a Georgia state chartered body (i.e. foundation or non-profit corporation) empowered to raise and dispense funds.

Please indicate whether or not you approve of the establishment of such a committee. We will be happy to make suggestions as to potential members and advise you of those persons who have expressed interest in working on this project.

APPROVE DISAPPROVE
(recommended)

Site: Sumter County v. Atlanta

A Carter Presidential Library could be established anywhere in the United States. However, we assume that you will want the Carter Presidential Library established somewhere in Georgia, presumably either in Sumter County, the environs of Atlanta or at the University of Georgia in Athens. Any other Georgia city in which there is a university would certainly be a logical site.

Sumter County

If you intend to retire in Plains, you would be near the library, could utilize the office provided for you in the library, and could participate in various functions at the library. Visitors to the library would have a first-hand impression of the area in which you grew up. The Plains High School building where you went to school should be considered as a possible site for the library.

Atlanta

Researchers and visitors could reach the library through Atlanta's convenient air, train and bus lines. There are excellent roads for automobile visitors. There are a number of universities in the area which offer post-graduate studies; their students and faculty members would benefit from the library's research facilities and programs. Researchers visiting your Presidential library would have easy access to the Georgia State Archives where your gubernatorial records are stored. There are existing Federal facilities in Atlanta which are available to provide temporary storage for your papers while the library is being constructed.

At our request, the Archivist of the United States submitted a memorandum on the establishment of a Carter Library. On the subject of site selection, the memorandum concluded:

- "Experience has demonstrated that Presidential Libraries most effectively are located in an urban area and in association with universities with graduate schools.
- "Whether an Atlanta or Sumter County location is selected, the Presidential library site should have certain characteristics:

"It should be conveniently accessible from all parts of the nation by public air, rail, and ground transportation and by private automobile.

"It should be served by roadways able to carry easily a heavy flow of traffic to its immediate community.

"The library grounds or adjacent areas should have adequate parking for visitors and employees.

"The area must be able to accommodate and serve large numbers of tourists, approximately one-half million annually."

*Don't
exclude
Atlanta
as a
3rd
possibility*

If you retire in Plains and your library is to be established in Atlanta, archivists will make available to you in Plains any of your files and materials for as long as you want them there. The Former President's Act would permit you to establish an office in Plains.

Establishment of an Archival Office Now

We recommend that you approve the establishment of a small office in the Executive Office Building to be staffed by representatives of the Presidential Libraries staff of the National Archives and Records Service. This staff would

immediately begin to help: maintain the Presidential diary; identify and catalog individuals in photographs and videotape films; work with the Central Administrative Unit in the filing of Presidential papers; begin microfilming papers, records and documents; and conduct exit interviews with departing staff members. Archivists have advised us that the establishment of such an office would, in the long run, save money since the above procedures would have to be conducted upon receipt of your papers by the Federal government and can be now done with fewer people and in less time than after the conclusion of your Administration.

APPROVE

✓

(recommended)

DISAPPROVE

J.C.

THE WHITE HOUSE

WASHINGTON

Date: August 10, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat — NC
Hamilton Jordan — NC
Jody Powell
Jack Watson — Concur

FOR INFORMATION:

Frank Moore —

*Take
HNSA # looked
at yet*

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: H. Carter/Lipshutz/Cardozo memo dated 8/9/77 re disposition of Presidential papers and the establishment of a Carter Library.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 12:00 NOON

DAY: Friday

DATE: August 12, 1977

needs to go in today

ACTION REQUESTED:

☒ Your comments
Other:

STAFF RESPONSE:

☐ I concur. ☐ No comment.
Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

/	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION
FYI

	MONDALE
	COSTANZA
/	EIZENSTAT
/	JORDAN
	LIPSHUTZ
/	MOORE
/	POWELL
/	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

Date: August 10, 1977

MEMORANDUM

FOR ACTION:

~~Stu Eizenstat~~
Hamilton Jordan
Jody Powell
Jack Watson

FOR INFORMATION:

Frank Moore

CARP
Rubenstein
460

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☒ Your comments

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STAFF RESPONSE:

☐ I concur.

Please note other comments below:

☒ No comment.

Stu Eizenstat

I have no comment
to make here.
B

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THE WHITE HOUSE

WASHINGTON

August 9, 1977

MEMORANDUM FOR THE PRESIDENT

FROM:

HUGH CARTER *HC*

ROBERT LIPSHUTZ *RL*

MICHAEL CARDOZO *MC*

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THE WHITE HOUSE

WASHINGTON

August 8, 1977

MEMORANDUM FOR THE PRESIDENT

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HUGH CARTER *HC*
ROBERT J. LIPSHUTZ *RJL*
MICHAEL CARDOZO *MC*

SUBJECT:

Disposition of Your Presidential Papers;
Establishment of a Carter Library

Background

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APPROVE _____

(recommended)

DISAPPROVE _____

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The filing of your papers affects eventual access to them and is a proper matter for further review by us and the Archivist. We are prepared to undertake such a review.

Conveyance of Papers

Most Presidents have indicated their intention to donate their Presidential papers to the Federal government by transmitting a letter of intent to the Administrator of General Services. We recommend that you execute such a letter now, while you are in office.

Toward the end of your Administration, we recommend that you execute a Deed of Gift conveying title to your papers to the Federal government and specifying the conditions under which they are to be administered. These conditions may include:

1. A statement of your desire that your papers be deposited in a Presidential library which is to be constructed or adapted for housing those papers, at a site of your choice.
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APPROVE _____ DISAPPROVE _____
(recommended)

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APPROVE _____

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DISAPPROVE _____

Site: Sumter County v. Atlanta

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APPROVE

(recommended)

DISAPPROVE

Date: August 10, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
 Hamilton Jordan
~~Jody Powell~~
 Jack Watson

FOR INFORMATION:

Frank Moore

*Received
too late*

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: H. Carter/Lipshutz/Cardozo memo dated 8/9/77 re disposition
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YOUR RESPONSE MUST BE DELIVERED
 TO THE STAFF SECRETARY BY:

TIME: 12:00 NOON

DAY: Friday

DATE: August 12, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☒ I concur. *H.T.*☐ No comment.

Please note other comments below:

*[in general - ste need not be major issue
 at this time, intention to create 8 pers
 Han - most important immediate issue.]*

*You PROBABLY would like to
 review this yourself -*

Cal

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required
 material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

August 15, 1977

Bob Linder -

The President would like the
attached letter delivered
tomorrow A.M. Thanks.

Rick Hutcheson

*delivered by
Bob Linder*

X

THE WHITE HOUSE
WASHINGTON

TO BE
DELIVERED
THROW AWAY



THE WHITE HOUSE

WASHINGTON

8-15-77

To President George Meany

Congratulations on your
birthday!

This past year we
found that you're more
than an equal of any
two 41-year olds.

Your friend,

Jimmy Carter



PRESIDENT'S
REORGANIZATION
PROJECT

WASHINGTON, D.C. 20503

1:00 PM

✓

THE PRESIDENT'S REORGANIZATION PROJECT

MEETING WITH REORGANIZATION EXECUTIVE COMMITTEE, ET AL

Monday, August 15, 1977
1 p.m. (45 min.)

From: Bert Lance
Jim McIntyre
Harrison Wellford

HW

I. PURPOSE

To present the overall Reorganization agenda, obtain approval of the most recent organizational issues proposed for study and discuss selected issues which require direct Presidential comment.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background: On August 4, we sent a summary of the entire Reorganization study agenda as developed to date to the members of the Reorganization Executive Committee. This agenda indicated studies currently underway, new issues proposed for early study and issues proposed for later study. Copies of the issue summaries for the new issues proposed for study were attached to the agenda. This meeting has been scheduled to review the agenda briefly and to obtain the Executive Committee's comments on it. We will also seek approval of the new issues proposed for early study. Finally, there are a few selected issues which we would like to discuss in greater detail. A background paper on one of these issues, a proposal to reorganize the Department of Defense, is attached to this memorandum.

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for Preservation Purposes**

B. Participants:

Executive Committee

Vice President Mondale
Bert Lance
Alan Campbell
Charles Schultze
Dick Pettigrew

Reorganization Project

Jim McIntyre
Harrison Wellford
Wayne Granquist
Peter Szanton
Pat Gwaltney
Tread Davis
Stan Morris
Katie Beardsley
Dave Woodham

C. Press Plan: White House photographer

III. Talking Points:

See "Background" section

2:30 PM

MEMORANDUM

THE PRESIDENT HAS BEEN.

THE WHITE HOUSE

WASHINGTON

Meeting with Matthew Brown

Monday, August 15

2:30 p.m.

(10 minutes)

The Oval Office

(by: Fran Voorde)

I. PURPOSE: to have photo taken with the National Poster Child of the Muscular Dystrophy Association.

II. BACKGROUND, PARTICIPANTS, PRESS:

A. Background: MDA wrote asking for photo opportunity prior to annual Jerry Lewis Labor Day Telethon for Muscular Dystrophy.

Matthew Brown is from Roswell, Georgia. While you served as Governor of Georgia, you greeted Matthew, who was then the Georgia State Poster Child.

Matthew wants to become a doctor so he can work on finding a cure for MD.

B. Participants: The President
Matthew Brown- 9 years old
Parents: Clelon "Dock" Brown
Paulette Brown
Ron Schenkenbergar - MDA staff
Horst S. Petzall - MDA staff
John DeJoseph - MDA photographer

C. Press: Photo Opportunity

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for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

August 15, 1977

Bob Lipshutz

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

DOCKET 29740 - Belize Airways,
Ltd.

211 - 6

X

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION
FYI

use pen to sign AB form

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
X	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

~~THE PRESIDENT AND SENATE~~

THE WHITE HOUSE

WASHINGTON

August 15, 1977

MEMORANDUM FOR THE PRESIDENT

FROM:

BOB LIPSHUTZ
STU EIZENSTAT

Bob Lipshutz
Stu Eizenstat

RE:

CAB Decision Re
Belize Airways Ltd. (Docket 29740)

The CAB has approved a permit for Belize Airways to operate scheduled and charter service between Miami and Belize in Central America.

The interested agencies have no objection to the substance of the order. The opinion accompanying the decision, however, incorrectly refers to Belize as a "recently-independent" state. Since the status of Belize--in particular its relationship to Britain--is a sensitive matter, both State and NSC recommend that you disavow the error in a brief letter of transmittal to the Board. The other agencies concur.

We recommend that you approve the CAB order and also sign the attached letter to the Board noting and disavowing the error concerning the status of Belize.

☒ Approve

 Disapprove

THE WHITE HOUSE

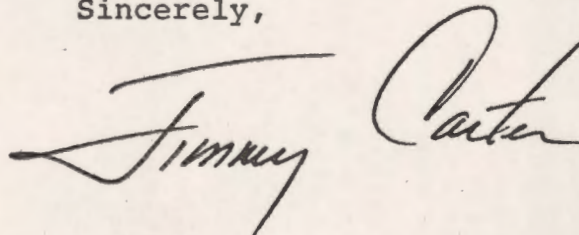
WASHINGTON

August 15, 1977

Dear Mr. Chairman:

I have reviewed your proposed order (Docket 29740) dated June 21, 1977, which grants a permit to Belize Airways. I note that the opinion accompanying the order contains an inaccurate reference to the political status of Belize. Although I am approving the order, my approval should not be understood as incorporating the incorrect reference to Belize as a "recently-independent" state.

Sincerely,

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is written in a cursive, flowing style. "Jimmy" is written with a large, sweeping initial "J" and "Carter" follows in a similar cursive script.

Honorable Alfred E. Kahn
Chairman
Civil Aeronautics Board
Washington, D. C. 20428

MEMORANDUM

THE PRESIDENT HAS SEEN.

10:15 AM

THE WHITE HOUSE

WASHINGTON

Meeting with Hobson Reynolds et al
Monday, August 15
10:15 a.m.
(10 minutes)
The Oval Office

(By: Fran Vochte)

I. PURPOSE: to present the President with the
Elijah Lovejoy Award

II. BACKGROUND, PARTICIPANTS, PRESS:

A. Background: Each year the Improved Benevolent
Protective Order of Elks of the World
presents the Lovejoy Award to an
individual who has made the most
outstanding contribution in an unselfish
way, to a group, or society in general.
(A list of past recipients is attached
for your information.)

The IBPOE of W is meeting in Convention
(over 10,000) at the Washington Hilton.
In lieu of accepting their invitation
to come to the Convention to accept the
award, this meeting has been scheduled here

B. Participants: The President
Hobson R. Reynolds of Philadelphia -
President, Grand Exalted Ruler
Donald P. Wilson of Philadelphia
1st Vice President
Carl O. Dickerson of Philadelphia
Judge Harvey Schmidt of Philadelphia
Commissioner of Education Department
Joseph A. Beavers of Washington
Regional Director, Education Dept.
James R. Smith of Philadelphia
Chairman of Public Relations
Walter R. Reynolds of Philadelphia
Convention Bureau Chairman
William Rush of Washington
Local Chairman

C. Press: Photo opportunity - White House
photographer.

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LOVEJOY AWARD RECIPIENTS

1950	Governor Alfred E. Driscoll Former Governor State of New Jersey
1951	Hon. Ralph Bunche
1952	Branch Rickey
1953	Mary McLeod Bethune
1954	Thurgood Marshall, Esquire
1955	Marion Anderson
1956	Dr. Martin Luther King
1957	Philip Randolph
1958	Lester Granger
1959	John H. Johnson
1960	Atty. General William Rogers
1961	Roy Wilkins
1962	Adam Clayton Powell
1963	Edward Brooke Gerald A. Lamb Leroy R. Johnson
1964	Harry Golden
1965	Whitney Young
1966	Dr. Robert Weaver
1967	Hon. Lynden O. Pindling Premier of Bahama Islands
1968	Dorothy Height
1969	Edward "Duke" Ellington
1970	Mayor Charles Evers
1971	Rev. Leon Sullivan
1972	Dr. Richard V. Moore, President Bethune-Cookman College, Daytona Beach, Fla.

LOVEJOY AWARD RECIPIENTS

- 1973.....*Rev. William Harvey, Corresponding Secretary
Foreign Mission Board-Nat. Baptist Convention*
- 1974.....*Rev. Jesse Jackson, President
Operation P. U. S. H.*
- 1975.....*Rev. J. H. Jackson, President
National Baptist Convention, U.S.A.*
- 1976.....*Hon. William T. Coleman, Secretary
Department of Transportation*

filed 8/5
THE PRESIDENT HAS SEEN. C
✓

REPORT ON VISIT TO TAIWAN

Republic of China

March 1977

**Electrostatic Copy Made
for Preservation Purposes**

Chapter XVII of The Termination of Aid: Taiwan in 1965 is an interesting survey of the energetic, magnificent people of Taiwan. We find that a 1963 study showed a possibility that aid could discontinue at the end of 1968. This date was shuffled back two different times, and aid was terminated in mid-1965.

U.S. aid was 13% of Taiwan's GNP in 1951 and only 2% in 1965. Though Taiwan is low on natural resources, it is very high on human resources. They have a high technical education and the expertise to achieve high goals in the manufacturing world.

It is interesting to note on page 84, Article (17) that the proposal showed a possible increase from \$150 per head income in 1965, to \$300 per capita by 1980. The fact is they achieved an average of \$800 by the end of 1976 and expect to pass \$1,000 by the end of 1977.

My study of the people of Taiwan proves them to be the most energetic, freedom-loving people I have ever met. They are doing more to resist communism than anyone I know ~~of~~. I would add, "They have planned their work, and are working their plan." I submit several phamplets to bare this statement out.

I was disappointed to discover that no person of importance, ministry level, had been received by the same level person of the U. S. in about five years. The Nixon answer was always, "Don't ask, therefore you will not loose face in being denied." It is my hope that this type of politics can be put aside and our government can be more open with our friends and allies.

Betty and I went to Taiwan/after receiving an invitation from Dr. C. F. Koo, Chairman of the National Association of Industry and Commerce, a non-profit organization. Mr. Koo is an outstanding businessman and served as our official host.

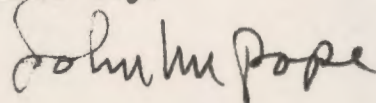
We had an opportunity to visit ~~many~~ many points of interest and to study the ever present growth of Taiwan and its people.

On Monday morning we began a most exciting eight day tour of the country. We received slide and movie film briefings of every aspect of life on the island, both civilian and military. To say the least, we were most impressed and envious of what this small country has achieved. The people are all happy and living well. They are totally devoted to their struggle for freedom and lasting peace. I sincerely hope the State Department will see fit to invite the Department of Foreign Affairs of Taiwan, and whoever else it might deem proper, to the USA, to see and hear their inside story. I feel that a close relationship here has been too far removed. I also feel this meeting should take place far in advance of any meeting with officials of The Mainland China Communists. (Dr. Fredrick F. Chien, Vice Minister of Foreign Affairs, is the official number one spokesman for his country of Taiwan. Dr. Chien is a Yale graduate, well known here, as well as extremely brilliant).

The people of Taiwan are our true friends and allies, and the often mentioned suggestion that the U. S. recognize Red China and break relations with Taiwan is absolutely deplorable.

It is my belief that the U.S. should go very slowly and maintain a status-quo position, but enter a high level political relationship and open communication with Taiwan, Republic of China.

Sincerely:



John M. Pope
Rawley Road
Americus, Ga. 31709

March 12, 1977

POINTS OF INTEREST TO DISCUSS

1. Unemployment now stands at 2%. Most of these are young women who have temporarily returned to the home farms to help the family out of a busy time.
This proves to be an interesting advantage. If Industry has a lull in business, the farms will absorb the unemployed, and when business picks up, the rural people return to the factories.
2. "Land to the tiller"--Since the Government has installed the "land to the tiller" ruling, the incentive has risen greatly and the use of fertilizer and insecticides have risen also. The Southern farmers are now growing 2 rice crops and 2 auxiliary crops annually on the same ground.
3. Every young man serves 3 years in the military. They expect this as an obligation to their country and seem proud to serve.
4. Though apartment living is encouraged in the urban areas, because of lack of land, the farmers are urged to build traditional Chinese homes, so as not to loose track with their heritage.

THE WHITE HOUSE
WASHINGTON

August 15, 1977

The Honorable Arthur Goldberg -

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

Re: The U.S. Iron Ore Situation

Sent to:
The Honorable Arthur Goldberg
1101 17th Street N. W.
Washington, D. C. 20036

THE WHITE HOUSE
WASHINGTON

send copy to
Arthur Goldberg
(stripping should have
address)

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

August 12, 1977

cc:
Arthur Goldberg
J.C.

THE PRESIDENT HAS SEEN.

MEMORANDUM FOR: THE PRESIDENT
FROM: THE SECRETARY OF LABOR *ML*
SUBJECT: The U. S. Iron Ore Situation

The Industry.

The iron ore producing industry is comprised of 66 mines that supply 193 blast furnaces. About 20,000 workers are employed in the primary extraction phase. The primary producing states are Minnesota, Michigan, and Wisconsin. The principal processing states are Indiana, Ohio, Pennsylvania, and Illinois.

The U. S. consumes about 120-140 million short tons of iron each year. Inventories average between 50-60 million tons and they are fairly constant throughout the year. There are three basic sources of iron and steel, i.e., domestic mine production, secondary production (scraps), and imports. Domestic sources are almost evenly divided between mine production and scrap (each about 50 million tons per year). Domestic consumption in 1974 reached an all time high of 141 million tons. In 1976, it had declined to 120.5 million tons. Due to the overall slowdown in the domestic and international economies, and particularly the depressed domestic, nonresidential construction sector, the demand for iron and steel is likely to decline further in 1977.

The U. S. imports about 30 million tons of iron ore each year. The largest importers are Canada, Venezuela, Brazil, and Liberia. Since worldwide consumption of steel is depressed, the amount of iron ore available for import is larger than normal. Consequently, the U. S. could expand imports relatively quickly from major foreign suppliers.

The U. S. maintains a stockpile of about 60 million tons of iron ore. The general trend in stockpiling shows that about 75% of all stocks are at the consuming plant. About 15% are maintained at the mines and about 10% at the dock facilities. It is difficult to estimate the stockpiles of iron ore at a particular point in time but there is a reason to believe that the prevailing pattern is essentially in place. The Bureau of Mines estimates about 62 million tons

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of iron-ore stockpiles in August 1977. With consumption running behind 1976 levels, this represents a 5-6 month supply.

The Strike Situation.

Following the August 1, 1977 contract expiration date, the members of 20 United Steelworkers of America (USWA) Locals that had voted to strike walked off the job at 12 major iron ore operations in five states. Approximately 14,500 USWA members were involved in the strike and about 85% of the domestic production of iron ore has ceased.

According to the companies, the major issue in the dispute is incentive pay based on production. They contend that this is a national issue which was discussed during the steel negotiations in April and is not a proper local issue under the terms of the Experimental Negotiating Agreement (ENA). Reserve Mining Company has indicated that in addition to the incentive pay issue at least 40 of the 170 unresolved issues at their facilities are national in scope and therefore not proper local issues. The steelworkers contend that the incentive pay issue is a local issue as are the other issues in dispute. The Union has also stated that some of the issues that the company felt were national in scope were dropped before the strike deadline.

Several direct shipment mines that account for a very small portion of the industry's output have reached agreements with the USWA. Included are Inland Steel's Sherwood Mine at Iron River, Michigan, The Black River Falls Mine in Wisconsin, and Hanna Mining's Groveland Mine at Iron Mountain, Michigan. These agreements do not contain provisions on incentive pay.

On July 25, 1977, the Coordinating Committee Steel Companies filed suit in Federal District Court in Pittsburgh. The suit was to seek an injunction barring strikes over the issue of incentive pay and other issues which the company contended were national in scope and would violate the provisions of the ENA. The ENA provides that strikes over local issues are permitted following the contract expiration.

Such strikes are subject to the approval of the Local membership and the President of the Steelworkers. The ENA, however, bans strikes over national issues and requires that issues that cannot be agreed upon be submitted to an impartial arbitration panel. The Steelworkers indicated that any injunction would destroy the membership's confidence in the Local strike provisions of the ENA and seriously jeopardize the future of the Agreement. On July 29, the Court refused to grant an injunction citing Supreme Court rulings which limit the ability of Federal Courts to issue injunctions. In an opinion issued by Judge Snyder, however, he indicated his belief that a walkout would violate the no-strike provisions of the ENA. The Coordinating Committees Steel Companies is preparing to file suit for damages as a result of the strike. They indicate that the District Court's Opinion gives them a firm legal basis and supports their contention that the issue of incentive pay is not a local issue.

The Federal Mediation and Conciliation Service (FMCS) is planning to meet with the Steelworkers on Tuesday, August 16. A meeting with the companies is planned shortly thereafter. It is important that no other government agency become involved while the FMCS is attempting to mediate the dispute. Opening of a higher forum would not only undercut the FMCS' efforts but would also destroy the effectiveness of that higher forum later, should mediation fail.

Summary.

The probability of a major shortage of iron ore is not high. The reasons for this assessment are several: 1) the peak Great Lakes shipping season is passed and most of the stocks should be at the consuming facilities; 2) considerable excess production capacity exists in several foreign nations and imports from these countries could be expanded rapidly; 3) several companies, i.e., U.S. Steel and several smaller shippers, have maintained Great Lakes shipping channels the year around. The movements have been about 1 million tons per month in the winter season, but these could be expanded in an emergency.

THE PRESIDENT HAS SEEN.

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

C
/

August 12, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Ray Marshall (RM)

SUBJECT: The U.S. Iron-Ore Situation

As a result of our telephone conversation on Thursday, August 11, I have prepared the attached memorandum on the iron-ore situation. It is a fairly detailed account. It shows that the economic impact of the strike will be minimal. This is due to our best estimates of stockpiles, the concentration of stockpiles at the consuming facilities, the easy access to imports, lower than normal demand, and the ability to keep major shipping channels open year around.

I expect that in the future you may get many other requests to personally intervene in a strike situation. I believe that as an Administration we should make every effort to avoid premature intervention. We should permit the process of collective bargaining to work and this strategy will insure that my involvement, or as a last resort, your involvement would be effective should collective bargaining and mediation fail.

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

August 15, 1977

Peter Bourne

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been forwarded to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder

RE: NOTE TO CABINET ON INTERNATIONAL HEALTH STUDY

X

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
X	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
X	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

Mr. President:

Watson concurs. NSC has no comment on the proposed memo. Tim Kraft suggests that the proposed meeting take place after Congress adjourns.

Jim Fallows has edited the proposed memo.

Rick

THE WHITE HOUSE

WASHINGTON

August 11, 1977

MEMORANDUM TO THE PRESIDENT

FROM: Peter Bourne *P.B.*

SUBJECT: Note to Cabinet on International Health Study.

This is to follow up on your response to my memo of July 30, 1977, in which you recommended that I redraft the memo from you to members of the Cabinet directing them to cooperate with me in completing the analysis of international health functions and policy. A draft is attached and should go to Vance, Califano, Blumenthal and Gilligan with copies to Lance, Brzezinski and Press.

Your comments at the Cabinet meeting last week soliciting their assistance to me in the broader international human needs area was enormously helpful and I greatly appreciate it.

PGB:ss

Attachment

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR

THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF HEALTH, EDUCATION,
AND WELFARE
THE ADMINISTRATOR OF THE AGENCY FOR
INTERNATIONAL DEVELOPMENT

At my request, Peter Bourne is preparing an analysis of international health problems; it will be useful in determining how we can best help the developing countries meet the basic human needs of their people. Since I have asked Peter to finish this work by the end of September, I would appreciate your helping him in every way possible. After I receive his report I will meet with you and discuss your recommendations about the proper course of action to take.

Jimmy Carter

THE WHITE HOUSE
WASHINGTON

August 15, 1977

Charlie Schultze -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: The Role of Federal Reserve

cc: Stu Eizenstat

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
	X	EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
X		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
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	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.
U. S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

C

August 12, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Ray Marshall RM.

SUBJECT: The U.S. Iron-Ore Situation

As a result of our telephone conversation on Thursday, August 11, I have prepared the attached memorandum on the iron-ore situation. It is a fairly detailed account. It shows that the economic impact of the strike will be minimal. This is due to our best estimates of stockpiles, the concentration of stockpiles at the consuming facilities, the easy access to imports, lower than normal demand, and the ability to keep major shipping channels open year around.

I expect that in the future you may get many other requests to personally intervene in a strike situation. I believe that as an Administration we should make every effort to avoid premature intervention. We should permit the process of collective bargaining to work and this strategy will insure that my involvement, or as a last resort, your involvement would be effective should collective bargaining and mediation fail.

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CHAIRMAN OF THE BOARD OF GOVERNORS
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

THE PRESIDENT HAS BEEN

August 12, 1977

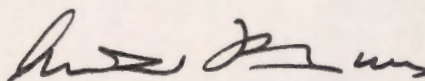
RL

The President
The White House
Washington, D. C.

Dear Mr. President:

I am enclosing an address which I will be giving at Commencement Exercises of Jacksonville University tomorrow morning. I know that you have more than enough reading matter to occupy you; but if you get the chance you may find my address of some interest. It deals in a forthright manner about the role of the Federal Reserve, as I see it, in our government.

Sincerely yours,



Arthur F. Burns

Enclosure

Very best wishes to you!

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To C Schultze
Brief comments
JC

For release on delivery
Saturday, August 13, 1977
9:30 AM, E. D. T.

The Importance of an Independent Central Bank

Address by

Arthur F. Burns

Chairman, Board of Governors of the Federal Reserve System

at Commencement Exercises of

Jacksonville University

Jacksonville, Florida

August 13, 1977

It is a pleasure for me to be here on the campus of Jacksonville University to join in honoring this graduating class. I say that most sincerely. Having spent the greater part of my life as a university teacher, I always take satisfaction in the scholastic achievement of young men and women. This is rightfully a proud moment for you, and I very much appreciate being able to share it.

Today, I would like to talk to you about an issue that has been important throughout much of recorded history and which is certain to influence your lives -- for better or worse. I refer to government's management of money -- a function that in our country is lodged by statute with the Federal Reserve System.

No nation whose history I am familiar with has succeeded in managing the stock of money perfectly. Few, indeed, have even managed it well. And those societies that have been least successful have paid dearly for their ineptitude. Debasement of the currency had a great deal to do with the destruction of the Roman Empire. In our own times, excessive creation of money has released powerful inflationary forces in many countries around the globe. And once a nation's money is debauched, economic stagnation and social and political troubles usually follow.

Each of you in this assemblage, whatever your age, has experienced at first hand some of the consequences of monetary stress. For a dozen years now, our Nation has been subjected to a relentless siege of inflation that has conferred undeserved windfall gains on some and undeserved hardships on others. In terms of social well-being, these capricious pluses and minuses by no means cancel out. Young people wanting to buy a home these days know that the price of decent shelter has soared almost out of reach. Parents across the country know the shocking extent to which tuition costs have ballooned. And woe to anyone who has major medical expenses and is not adequately insured.

Those, moreover, are merely among the most readily visible consequences of inflation. There are other less apparent effects that are even more pernicious. Once a nation's economy has been gripped by inflation, it becomes virtually impossible to maintain an environment in which jobs are plentiful and secure. The economic recession of 1974-75, in the course of which unemployment climbed to a level above 8 million persons, would not have been nearly so severe -- and indeed might not have occurred at all -- had it not been for the inflationary distortions of the preceding several years.

That is clear, I think, from the sequence of events. Double-digit inflation severely drained many family pocket-books, reduced consumer confidence, and led to more cautious consumer spending. Businessmen, however, were slow in responding to the weakening of consumer markets. They seem to have been blinded by the dizzying advance of prices and by the effect of that advance on their nominal profits. They thus continued aggressive programs of inventory expansion and capital-goods expansion longer than was prudent, thereby causing economic imbalances to cumulate to major proportions. By the time the weakening of consumer markets was fully recognized by businessmen, the need to scale back had become enormous. The worst recession in a generation ensued.

The only positive aspect of that traumatic episode is that it finally opened the eyes of many economists and public officials to the fact that inflation and unemployment are not alternatives for our economy. The message is now clear that inflation in time causes serious unemployment. Understanding of that relationship is gradually tending, I believe, to make public policies more sensible.

Some of you in this audience may be wondering, I suspect, whether the Federal Reserve may not have something to do with the inflation we have been experiencing. It may fairly be asked: Has not the Federal Reserve been creating too much money? And may not this be one of the causes of our inflation?

That question is, indeed, often put to me, and I welcome it because of the opportunity it affords to clarify the nature of the dilemma our country faces. Neither I nor, I believe, any of my associates would quarrel with the proposition that money creation and inflation are closely linked and that serious inflation could not long proceed without monetary nourishment. We well know -- as do many others -- that if the Federal Reserve stopped creating new money, or if this activity were slowed drastically, inflation would soon either come to an end or be substantially checked.

Unfortunately, knowing that truth is not as helpful as one might suppose. The catch is that nowadays there are tremendous nonmonetary pressures in our economy that are tending to drive costs and prices higher. This, I should note, applies not only to our country, nor is it anymore just a phenomenon of wars and their aftermath as tended once to be

the case. Rather, powerful upward pressures on costs and prices have become worldwide, and they persist tenaciously through peace-time periods as well as wars.

This inflationary bias reflects a wide range of developments that have been evolving over a span of decades in both governmental and private affairs. Foremost among these developments is the commitment of modern governments to full employment, to rapid economic growth, to better housing, improved health, and other dimensions of welfare. These are certainly laudable objectives, but they have too often caused governmental spending to outrun revenues. Other developments -- such as the escalator arrangements that various economic groups have achieved through their efforts to escape the rigors of inflation -- have speeded the transmission of inflationary impulses across the economy. What we as a people, along with other nations, have been tending to do is to subject available resources to increasingly intensive demands; but we at the same time have sought to insure that incomes do not get eroded when excessive pressures on resources generate inflation. This amounts, unfortunately, to creating upward pressures on costs and prices, and then arranging to perpetuate them. That is the awesome combination that fighters against inflation have to try to counter.

Theoretically, the Federal Reserve could thwart the nonmonetary pressures that are tending to drive costs and prices higher by providing substantially less monetary growth than would be needed to accommodate these pressures fully. In practice, such a course would be fraught with major difficulty and considerable risk. Every time our government acts to enlarge the flow of benefits to one group or another the assumption is implicit that the means of financing will be available. A similar tacit assumption is embodied in every pricing decision, wage bargain, or escalator arrangement that is made by private parties or government. The fact that such actions may in combination be wholly incompatible with moderate rates of monetary expansion is seldom considered by those who initiate them. If the Federal Reserve then sought to create a monetary environment that seriously fell short of accommodating the nonmonetary pressures that have become characteristic of our times, severe stresses could be quickly produced in our economy. The inflation rate would probably fall in the process but so, too, would production, jobs, and profits.

The tactics and strategy of the Federal Reserve System -- as of any central bank -- must be attuned to these realities.

With sufficient courage and determination, it is nevertheless within our capacity to affect the inflation rate significantly.

We may not, as a practical matter, be able to slow monetary growth drastically within any given short time span, but we do have considerable discretion in accommodating the pressures

of the marketplace less than fully. We are, indeed, often engaged in probing and testing our capacity to do just that.

And, while we must be cautious about moving abruptly, my colleagues and I in the Federal Reserve System are firmly

committed to a longer-term effort of gradual reduction in the rate of growth of money -- something that is reflected in the

progression of steps we have been taking to lower permissible growth-ranges for the money supply. Slowly undernourishing

inflation and thus weakening it seems the most realistic strategy open to us. We believe that such an effort -- especially if

Congress becomes less tolerant of budget deficits -- will ultimately create a much healthier environment for the

determination of wages and prices.

The capacity of the Federal Reserve to maintain a meaningful anti-inflationary posture is made possible by the considerable degree of independence it enjoys within our government. In most countries around the world, central banks are in effect instrumentalities of the executive branch of government -- carrying out monetary policy according to the wishes of the head of government or the finance ministry. That is not the case in this country because the Congress across the decades has deliberately sought to insulate the Federal Reserve from the kind of political control that is typical abroad. The reason for this insulation is a very practical one, namely, recognition by the Congress that governments throughout history have had a tendency to engage in activities that outstrip the taxes they are willing or able to collect. That tendency has generally led to currency depreciation, achieved by stratagems ranging from clipping of gold or silver coins in earlier times to excessive printing of paper money or to coercing central banks to expand credit unduly in more modern times.

With a view to insuring that the power of money creation would not be similarly abused in our country, the Congress has given our central bank major scope for the independent exercise of its best judgment as to what monetary policy should be. In fact, Congress has not only protected the Federal Reserve System from the influence of the Executive Branch; it also has seen fit to give the System a good deal of protection from transitory political pressures emanating from Congress itself.

Probably the two most important elements making for Federal Reserve independence are the following: First, the seven members of the Federal Reserve Board serve long and staggered terms and can only be removed for "cause." This arrangement severely limits possibilities for any "packing" of the Board and enables members of the Board to act without special concern about falling out of grace politically. Second, the Federal Reserve System finances its activities with internally generated funds and therefore is not subject to the customary appropriations process. This arrangement is intended to assure that the Congressional "power of the purse" will not be used in an effort to induce System officials to pursue policies that they otherwise might consider poorly suited to the Nation's needs.

The Federal Reserve has thus been able to fashion monetary policy in an impartial and objective manner -- free from any sort of partisan or parochial influence. While the long history of the Federal Reserve is not faultless, its policies have consistently been managed by conscientious individuals seeking the Nation's permanent welfare -- rather than today's fleeting benefit. Significantly, this country's record in dealing with inflation -- albeit woefully insufficient -- has been much better generally than the record of countries with weak central banks. Indeed, I would judge it no accident that West Germany and Switzerland, which in recent years also have managed their economy better than most others, happen to have strong and independent monetary authorities like ours.

The degree of independence which Congress has conferred upon the Federal Reserve has been a source of frustration to some government officials since the Federal Reserve Act first became law. Certainly, from the standpoint of the Executive Branch, it would at times -- perhaps often -- be more convenient to instruct the central bank what to do than to reckon with the System's independence. In the end, however, the country would not be as well served. The Federal Reserve, it needs to be

emphasized, seeks earnestly to support or to reinforce governmental policies to the maximum extent permitted by its responsibilities. When the System's actions depart, as they occasionally have, from the way in which the Executive Branch would wish it to act, that is generally because the System tends to take a longer-range view of the Nation's welfare. Actually, most of the time, monetary and fiscal policies are well coordinated and mutually reinforcing; in other words, they are the product of continuing and fruitful discussions between members of the Administration and Federal Reserve officials.

Not only is dialogue continuous with the Executive Branch of government, but Federal Reserve officials appear frequently before Congressional Committees -- something that works, on the one hand, to keep Congress informed as to System activities and which, on the other, affords Senators and Congressmen an effective means of registering approval or disapproval of Federal Reserve policy. In practical terms, the economic policy dialogue that is always in process within our government produces a thorough exploration of options. It may fairly be said, I believe, that the System's independence results in a more thorough discussion and thrashing out of public issues than would otherwise occur.

Despite the salutary influence that the Federal Reserve's independence has had on our Nation's economy, legislative proposals that would place the System under tighter rein keep being introduced in Congress. The proposals that have been put forth over the years cover a wide range -- for example, to enlarge the size of the Board, to shorten the terms of its members, to enable the President to remove Board Members at will, to diminish or eliminate the role of Federal Reserve bank directors, and to subject the System to the Congressional appropriations process or to audit by the Government Accounting Office. In recent years, there have also been proposals calling for numerical forecasts of interest rates or other sensitive magnitudes, which if ever undertaken by the Federal Reserve, could unsettle financial markets, besides misleading individuals who lack sophistication in financial matters.

The shortcomings of these individual proposals matter less, however, than what appears to be their common objective, namely, to reduce the Federal Reserve's independence and to restrict its scope for discretionary action. That, I believe, is the real thrust of the diverse efforts to "reform" the Federal Reserve System. It is perhaps of some significance that such

proposals not infrequently come from individuals who are basically dissatisfied with what they regard as excessive Federal Reserve concern with battling inflation.

The element of populism in all this is strong -- particularly the preoccupation with maintaining low interest rates. It makes no difference how often Federal Reserve officials repeat that the System's continuing objective is the lowest level of interest rates compatible with sound economic conditions. That is not enough. What is desired is assurance that interest rates will be kept permanently down, or at least not be allowed to rise significantly.

The Federal Reserve cannot, of course, give that kind of assurance. In a period of rising demands for funds, a determined effort by the System to keep interest rates down could quickly turn the Federal Reserve into something akin to the engine of inflation that it was during the early Korean War period when the System unwisely tried to keep interest rates down so that the cost of financing the Federal debt would not escalate. Actually, the consequences now would almost certainly be far worse than they were a quarter century ago because the public has become far more sensitive to inflation.

Long-term interest rates, in particular, tend to respond quickly nowadays to changing inflationary expectations. Once the financial community perceived that the Federal Reserve was pumping massive reserves into commercial banks with a view to creating monetary ease, fears of a new wave of inflation would quickly spread. Potential suppliers of long-term funds would then be inclined to demand higher interest rates as protection against the expected higher rate of inflation. Borrowers, on the other hand, would be more eager to acquire additional funds, since they would expect to repay their loans in still cheaper dollars. In short, heightened inflationary expectations would soon overwhelm markets in today's inflation-conscious environment by actually causing long-term interest rates -- which are generally more important to the economy than short-term rates -- to rise. The policy of seeking lower interest rates by flooding banks with reserves would thus be frustrated. And I need hardly add that adverse effects on production, employment, and the dollar's purchasing power would follow.

The Federal Reserve System, I assure you, will not be deterred by the drumbeat of dubious propositions concerning

money and interest rates. We are determined to continue on a path of further gradual unwinding of the inflationary tendencies that have become so deeply embedded in our economic life. We are determined to continue promoting the expansion of our economy and yet control the supply of money so as to prevent a new wave of inflation. Such a policy, I firmly believe, is the only responsible option open to us.

I hope that I have succeeded today in conveying some sense of the importance to you as individuals and to the Nation generally of the Federal Reserve's role in our government. Fortunately, despite the criticism that is not infrequently voiced by some members of Congress, the Congress as a whole has kept the Federal Reserve's role in a clear perspective and has fully protected the essentials of Federal Reserve independence. That will continue to be the case only if you who are graduating today and other citizens develop a full understanding of what is at stake.

* * * * *

THE WHITE HOUSE
WASHINGTON

August 15, 1977

Bob Lipshutz -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: Plains Property

THE WHITE HOUSE
WASHINGTON

keep copy for our
files

THE WHITE HOUSE
WASHINGTON

8-15-77

To Bob Lipschutz
Check with GSA & let
me know status of negotiations
with the Gnann's for the
lot south of my home in
Plains.

J. C.

THE WHITE HOUSE

WASHINGTON

August 15, 1977

EYES ONLY

The Vice President
Midge Costanza
Stu Eizenstat
Hamilton Jordan
Bob Lipshutz
Frank Moore
Jody Powell
Jack Watson

Re: Cabinet Summaries

The attached summaries were returned in the President's outbox and are forwarded to you for your personal information.

Rick Hutcheson

Attachments:

From CEQ, HEW, Justice, Labor,
Treasury, Transportation, Commerce,
Agriculture, GSA, CEA, Defense,
HUD, and Interior.

eyes only

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

9/

MEMORANDUM TO: THE PRESIDENT

FROM:

Jack Watson *Jack*

August 12, 1977

RE:

Summaries for the Week of August 8-11, 1977

We are forwarding summaries received from the
following:

Agriculture
Commerce
CEA
Defense
GSA
HUD

Interior
Justice
Labor
Transportation
Treasury
HEW

Pat Harris enclosed eight 8 x 10 photographs of
various key HUD officials working on the zero-based budget
process and other HUD programs. I am not enclosing those
photographs.

CC: The Vice President

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON
August 15, 1977

Charles Warren -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: Wetlands Conference
Nuclear Licensing Reform Act

THE WHITE HOUSE
WASHINGTON

August 15, 1977

Secretary Bergland -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling. ^

Rick Hutcheson

Re: Wetlands Conference

THE WHITE HOUSE
WASHINGTON

cc Bergland
&
Warren

THE WHITE HOUSE
WASHINGTON

August 15, 1977

Secretary Califano -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: Social Security Financing
International Health

—
THE WHITE HOUSE
WASHINGTON

cc Calipano



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

August 12, 1977

To Joe
J

THE PRESIDENT HAS SEEN.

91 AUG 13 AM 10 50

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on HEW Activities

The following is the Secretary's weekly report on significant activities in the Department of Health, Education, and Welfare:

- o Welfare Reform: Initial press and public reaction to your welfare reform proposal has been much more favorable than could have been anticipated last week. The response from Congress, except for Senator Curtis and the very conservative element, has been reasonably good. At briefings, the Senate Finance Committee staff tended to be negative, but other Hill staff was merely cautious, pending more exploration of details. As you know, support was expressed by a number of governors, notably Askew and Dukakis. In addition to strong endorsement from Senator Moynihan and the National Association of Counties, there have been a number of local endorsements, the most enthusiastic being from Los Angeles County, Representative Corman's home base. Our special briefing of Mayor Beame's staff was well received. Mayor Lee Alexander, President of the National Conference of Mayors, was cautiously optimistic about the proposal, and the Urban League and NAACP made helpful statements.

During this past week, in addition to well attended briefings for House and Senate staff, we also briefed public interest groups, HEW staff, and the Washington staff of the New Coalition. In addition, I have sent your message and our fact sheet to all of the governors, hundreds of state and local government officials, over 1,000 business leaders and other interested individuals and groups. We are planning to conduct additional briefings for Congressional Committee members and special interest groups.

- o Social Security Financing: Following a meeting on social security financing at the White House today, we will work with your staff on an overall strategy for dealing with new and conflicting developments in Congress.

ok

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The Senate Finance Committee is planning to mark up September 7, probably adopting Senator Long's staff proposal and attaching it to HR 7200, which is already a mixed collection of welfare, foster care, and adoption proposals, some good, some bad, and some expensive. The probability of getting much change in Committee does not look good, but we will reassess as quickly as possible. Senator Nelson and others think we are likely to do better on the Senate floor, and we need to review whether to continue to stay with our original package or work out a compromise, perhaps with Senator Nelson when he returns from a European trip.

The House Ways and Means Subcommittee plans to mark up September 12. We have just learned that Representative Ullman, having been turned down in an effort to have the Subcommittee simply turn over our package to the full Committee, is going to offer his own proposal to the Subcommittee. It is very different both from ours and from Senator Long's, being simply a five year stop-gap using payroll and rate base increases on both employers and employees plus shifts among trust funds and a general fund loan guarantee. We will canvass the Subcommittee this coming week to see if we have the votes to defeat that approach. Without Ullman's newly active role, we could have done so, but this probably sets up new lines in the Subcommittee because it will have business support.

As soon as possible, we will recommend a strategy worked out with your staff to deal with these developments. It may well involve working out a compromise which could be supported by members who disagree with the approaches of Senator Long and Representative Ullman, but won't support all of the Administration package as it was introduced.

- o Implementation of "504" Regulations: The Department will announce a series of technical assistance programs to help federally funded institutions voluntarily comply with the "504" regulations, issued last May, prohibiting discrimination against handicapped individuals. The programs will help institutions meet their most immediate needs to assure compliance with the regulations. Included in these technical assistance efforts is a national "hot line" to provide immediate response to recipient questions on compliance.

- Expedite*
- o Regional Appointments: With regional reorganization now underway, we are moving rapidly to name Principal Regional Officials. Three have been announced, two are at the White House for clearance, and others are approaching the clearance stage. We are still awaiting Civil Service Commission clearance on two additional Schedule "C" positions in each of the regions, one for intergovernmental relationships and one for public affairs.

- Work with Peter Baume on this - He represents me from WH*
- o International Health: A staff member of the Center for Disease Control (CDC) visited five west-central African countries in July to see if CDC experts could help these nations develop systems to identify disease outbreaks, and to expand immunization programs. The Agency for International Development has indicated its willingness to sign a five-year agreement with CDC to support this activity. Under current plans, three public health advisors would be assigned to work with the Ministries of Health in the Ivory Coast, Ghana, and Cameroon; and three medical epidemiologists would work with regional organizations serving several countries. These activities will be part of AID's program to strengthen health delivery services.

- o The Secretary will return from a week's leave on Monday.


Hale Champion
Acting Secretary

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THE WHITE HOUSE

WASHINGTON

August 15, 1977

MEMORANDUM FOR
THE HONORABLE GRIFFIN B. BELL
The Attorney General

Re: Principal activities of the Department of Justice
for the week of August 8 through August 12

The President reviewed your memorandum of August 12 on the
above subject and made the following notation:

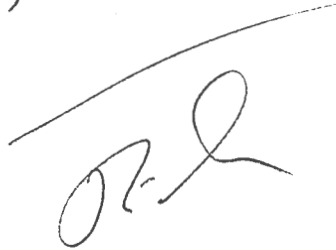
"Appointments need to be expedited. J.C."

Please follow-up with appropriate action.

Rick Hutcheson
Staff Secretary

THE WHITE HOUSE
WASHINGTON

Note to AG of
Pres's comment

A handwritten signature, possibly reading "O.R.", is written below the text "Pres's comment".



Office of the Attorney General

Washington, D. C. 20530

August 12, 1977

*To Griffin
Appointments need
to be expedited
J. C.*

Re: Principal activities of the Department
of Justice for the week of August 8
through August 12

THE PRESIDENT HAS SEEN.

1. American Bar Association

The Attorney General and a number of representatives from the Department of Justice were present in Chicago over the weekend and the first part of this week for the annual meeting of the American Bar Association. Judge Bell made two major addresses. The first, before the Assembly Luncheon, was about comity in the international enforcement sphere, particularly as it relates to antitrust enforcement. The second, before the Judicial Administration Division dinner, discussed among other things the need for amending legislation to the Federal Torts Claim Act to address the problem of legal representation for law enforcement officers who are defendants in civil actions for allegedly improper activities within the scope of their employment. A governmental action would be retained against such employee if recovery in the civil action were made. A number of matters were considered by the House of Delegates of the ABA. The Department lost in its opposition to the proposal before the Association to support the concept of counsel in the grand jury room. The Department of Justice won endorsement by the Association of the Administration's pending legislation on Magistrates.

2. Nuclear Facility Demonstration

During a demonstration last Saturday, the Department provided back-up security assistance to the Southern California Edison nuclear generating station, located on federal land adjacent to Camp Pendleton, California. SCE, the Nuclear Regulatory Commission and congressional representatives had expressed grave concern regarding the adequacy of security measures for the demonstration. Local law enforcement officials and the Department of Navy had declined on jurisdictional grounds to provide security. The Department of Justice, in order to avoid a nuclear incident, maintained a contingent of 50 U.S. Marshals at the facility during the demonstration as a back-up security measure. The demonstration involved about 1,000 people and was peaceful. The demonstrators never became aware of the presence of the U.S. Marshals, and there has been no press regarding their presence.

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3. Panama Canal

The Attorney General issued an opinion to the Secretary of State to the effect that the President may constitutionally dispose of territory or property belonging to the U.S. by treaty ratified by the Senate without any requirement of obtaining statutory authorization.

4. Legislative Veto

The Attorney General furnished to the Counsel to the President a report on the history and constitutionality of the legislative veto device as well as a recommended policy for this Administration to follow in dealing with legislation containing legislative veto provisions.

5. Presidential Appointments

Attached is a summary of the status of Presidential appointments in the Department of Justice. In addition to the facts contained in this report, the Department has received recommendations this week from the Third Circuit and Tenth Circuit Panels of the United States Circuit Judge Nominating Commission and from the Nominating Commission for the District and Circuit of the District of Columbia for the current vacancy on the Washington District Court.

6. Indochinese Refugees

The Attorney General, after consultation with appropriate congressional leadership, authorized parole Thursday into the United States for up to an additional 15,000 Indochinese refugees. Judge Bell's letter to Secretary Vance reemphasized his commitment in testimony before the House Subcommittee on Immigration last week for Administration action within an Interagency Task Force chaired by the Department of State to develop criteria to guide the use of the Attorney General's discretionary parole authority in the future as to such refugees.

STATUS OF PRESIDENTIAL APPOINTMENTS
August 12, 1977

U. S. CIRCUIT COURTS

No. Appointed.....	0
Vacancies.....	11
Pending at the White House.....	1
In Final Process at Dept. of Justice.....	3

U. S. DISTRICT COURTS

No. Appointed.....	9
Vacancies.....	23
Pending Senate Confirmation.....	3
Pending at White House.....	4
In Final Process at Dept. of Justice.	3

U. S. COURT OF CLAIMS

Vacancies.....	2
----------------	---

94 U. S. ATTORNEYS

No. Appointed.....	39
Pending Senate Confirmation.....	2
Pending at White House.....	0
In Final Process at Dept. of Justice.	8

94 U. S. MARSHALS

No. Appointed.....	22
Pending Senate Confirmation.....	15
Pending at White House.....	4
In Final Process at Dept. of Justice.	10

THE WHITE HOUSE
WASHINGTON

August 15, 1977

Secretary Marshall -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: CETA Abuses

THE WHITE HOUSE
WASHINGTON

cc Marshall

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

"FYI"

Ray
J

August 12, 1977

197 AUG 12 PM 2

Also -
push probes into other
CETA abuses - Gary, Atlanta,
etc -
J

THE PRESIDENT HAS CHIEF

MEMORANDUM FOR THE PRESIDENT

FROM: Ray Marshall RM.

SUBJECT: MAJOR DEPARTMENTAL ACTIVITIES, AUGUST 6-12

EMPLOYMENT AND TRAINING--ECONOMIC STIMULUS PACKAGE

CETA Expansion Progress Report

On August 5, 447,493 people were holding CETA jobs. This is 50,000 more participants than we expected at this point. Pay for these CETA jobs is averaging \$3.59 an hour or \$7,280 a year. Wage rates are the highest in the Pacific Northwest (\$8,112 a year) and lowest in the farm states of the Midwest (\$6,287 a year). We have analyzed projects involving 70,000 new CETA workers. The largest category is public works (18 percent), followed by environmental quality (17 percent), social services (13 percent) and education (12 percent). Here are some specifics on a few CETA projects. In St. Petersburg, Florida, CETA workers are building ramps for the handicapped. In Boston, they are serving as paraprofessionals in the schools. In Piedmont, California, CETA workers are installing water conservation equipment. And, in North Canton, Ohio, CETA workers are building neighborhood parks.

CETA Abuses in Chicago

Our investigators have confirmed a number of instances of political hiring in the Chicago CETA program, as well as other abuses. Some of these violations of CETA regulations have been continuing during our investigation. Early next week, I will make a final decision on how to proceed against the Chicago CETA program. I have identified four possible options: 1). Order Chicago to totally revamp their intake procedures; 2). Freeze CETA hiring in Chicago until these changes are made; 3). Demand restitution of illegally spent

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funds; and 4). Publicize our actions to send a signal to other CETA prime sponsors. At a minimum, I am strongly leaning toward taking options 1 and 2. Restitution of funds would probably involve a significant sum. The argument for publicizing our actions against Chicago would be its deterrent effect on other prime sponsors. The risks of public disclosure are tempered by the fact that the story has already been widely covered by the Chicago newspapers. I would appreciate any comments you might have on options 3 and 4. Highly publicized remedies would cause some additional political problems for Mayor Bilandic.

Go over
options & Bilandic-
Get firm commitment
to correct
& prevent
recurrence.
Publicize &
Give Bilandic
some credit
for
correcting
abuses.
J.C.

Youth Programs

On August 15, Bob Bergland, Cecil Andrus and I will sign an Interagency Agreement on the joint operation of the Young Adult Conservation Corps which is authorized by Title I of the Youth Bill.

LABOR MANAGEMENT SERVICES ADMINISTRATION

United Mine Workers (UMW)

The situation surrounding the wild-cat strikes by coal miners over the reduction of health benefits remains fluid. Earlier this week, some West Virginia miners returned to work, only to resume their strike on Thursday. There has been some scattered violence in West Virginia. As you know, I have been following a policy of non-intervention in collective bargaining in the coal industry. As a result, we have encouraged both parties to work with the Federal Mediation and Conciliation Service (FMCS) to resolve the dispute. We have only gotten involved behind the scenes when we could be helpful. For example, HEW wanted to know whether they should take steps to reopen the UMW clinics. We suggested that they consult directly with the FMCS. FMCS proposed a joint request to HEW by Arnold Miller, UMW president, and the Bituminous Coal Operators Association (BCOA). Miller was delighted with this proposal, while the BCOA board said they would not participate, but would also not object to HEW action. With the concurrence of the BCOA, I set up a meeting between Miller and HEW Under Secretary Hale Champion to explore the possibility of HEW reopening the UMW clinics. This situation provides some indication that both sides in the dispute are beginning to work together.

Steelworkers

I will be sending later today a memo on the strike by Steelworker locals against iron-ore mining operations.

Telephone Workers

As you know, the threat of a nationwide telephone strike was averted on August 6 when the three unions involved signed a three-year contract with the Bell System. The settlement gives 700,000 telephone workers a 31 percent increase in wages and benefits over the next three years.

~~CONFIDENTIAL~~

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

12 August 1977

THE PRESIDENT HAS SEEN.

MEMORANDUM FOR THE PRESIDENT

1977 AUG 12 PM 3:00

SUBJECT: Significant Actions, Secretary and Deputy Secretary of Defense (August 6-12, 1977)

Annual Program Review: We are two-thirds of the way through DOD's annual review of the five-year defense program. I expect to issue tentative program decisions within a week; then I will hear Service reclama. By mid-September, I shall have given final guidance with which to prepare budget submissions. As I indicated to you this morning, it is clear that fundamental decisions must be made as to the proper balance of four elements: force structure, readiness, modernization, and sustainability. The relative priority one should assign to each of these differs, depending on whether one looks at strategic nuclear forces, forces related to NATO, or other forces. Some significant force structure adjustments will probably result from this decision process.

Panama Canal Treaty: I thought the meeting yesterday went extremely well. I believe it now is essential to work toward the earliest possible consideration of the treaty. As Senator Hathaway pointed out in his meeting with Charles Duncan last week, the closer to the 1978 elections we get, the more difficult ratification becomes. To ensure a coordinated effort, we shall continue to work closely with Ham Jordan.

Intelligence Reorganization: I met Tuesday with Stan Turner and we discussed, among other matters, the implementation of your decision memorandum reorganizing the intelligence community. Staff members from CIA, DOD, and the Intelligence Community Staff have been drafting an executive order this week, to replace the existing E.O. 11905. It will be reviewed by the NSC staff, and then forwarded to you for signature.

Early Retirement Legislation: On my July 22 weekly report you noted a question regarding early retirement legislation. The proposed legislation, which I have forwarded to Bert Lance, would have the effect of providing a special retirement incentive (i.e., substantially higher annuities for those who retire during the period November 1, 1977 through January 31, 1978). I estimate that this legislation if enacted in September or early October would result in some 300 or more vacancies throughout the Federal Government at levels GS-16 through GS-18, which would permit appointees of our own choice to fill these key positions. As I indicated in my earlier report, I believe this legislation is important and appropriate.

Classified by Sec Def

SUBJECT TO GENERAL DECLASSIFICATION SCHEDULE OF
EXECUTIVE ORDER 11652. AUTOMATICALLY DECLASSIFIED
AT TWO YEAR INTERVALS. DECLASSIFIED ON 31Dec83

~~CONFIDENTIAL~~

12/5/89
SEC DEF CONTR No. X-2846

~~CONFIDENTIAL~~

- 2 -

Foreign Policy Consultations: As part of Ham Jordan's program, Charles Duncan visited Bismarck, North Dakota and Colorado Springs this week where he had two foreign policy speaking engagements. The Panama Canal Treaty was among the subjects he covered.

Harold Brown

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

August 15, 1977

Secretary Adams -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: Amtrak Repair Facility
at Wilmington.

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

cc Adams

ACTION
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

August 12, 1977

AUG 12 1977

*Brock - what is
status of Amtrak
repair facility at
Wilmington, Delaware?
J*

MEMORANDUM FOR THE PRESIDENT

THROUGH: Jack Watson ~~THE PRESIDENT HAS BEEN.~~

SUBJECT: Significant Issues Pending at the Department
of Transportation

FROM: Brock Adams

Brock Adams
INFORMATION

Development of a National Transportation Policy

As you know, the Department is working intensively on the development of a comprehensive national transportation policy which addresses the need to consolidate many existing programs, simplify our grant procedures, as well as meet the expected scarcity of energy and Federal financial resources.

I intend over the next two weeks as a first step to review a series of staff options for restructuring the Department's highway and transit grant programs and re-examine the proposed policies for all our major transportation grant programs. I believe we should have a general position available so I can indicate this in testimony which is scheduled for September 20 before the House Surface Transportation Subcommittee (Chairman Jim Howard). I will meet with Stu Eizenstat and Jack Watson prior to that time to determine the best method for coordinating this effort. I hope we might be prepared to have a Presidential message available either before Congress adjourns or in January when Congress reconvenes.

Embezzlement of Mass Transit Funds by DOT Employee

DOT is continuing its investigation, along with Secret Service and FBI, of the alleged embezzlement of some \$850,000 in Federal grant funds in the wake of the arrest of William O. Sibert, a GS-5 voucher examiner in the Urban Mass Transportation Administration (UMTA). He is charged with diverting government funds to his own use.

**Electrostatic Copy Made
for Preservation Purposes**

INFORMATION

There has been no effect on UMTA grant monies due to contractors and checks are going out as usual. MARTA (the Atlanta transit system) mentioned in news reports of the embezzlement, lost no money.

The FBI has described this as a "bizarre case" but DOT is reviewing its management procedures to see if any changes are needed.

St. Lawrence Seaway Tolls

Last week I announced jointly with the Canadian Minister of Transport a tentative agreement on new toll levels for the St. Lawrence Seaway.

The new tolls for 1978 are expected to be 62 cents a ton on bulk (up from 40 cents) and \$1.50 a ton on general cargo (up from 90 cents). These levels were agreed to after extensive negotiations throughout this summer with the Canadians.

The Seaway Corporation must by statute hold public hearings on any toll changes and we expect these to be held this fall. We have also kept appropriate Congressional officials abreast of the negotiations. We hope that all public review and approval requirements can be completed in time to have the new tariff in place before the March 1978 reopening of the waterway.

Coast Guard Drug Interdiction Efforts

As you know, Coast Guard participation in the enforcement of anti-narcotics trafficking laws has been instrumental in carrying out this Administration's drug enforcement program. The Coast Guard's significantly increased efforts for the first six months of 1977 have resulted in the seizure of 14 vessels and dangerous drugs valued at \$151.6 million, more than the entire value of last year's seizure. The contraband confiscated has included "commercial" quantities of cocaine, hashish, and marijuana as well as undeclared cash and firearms. The Coast Guard actively participates in the Drug Enforcement Administration sponsored El Paso Intelligence Center (EPIC) and the Treasury Enforcement Communications System (TECS) administered by the Customs Service. Additionally, Coast Guard sponsored Law Enforcement Organizations (LEO), involving local Federal, state and municipal law enforcement officials, have been or are being formed in each coastal Coast Guard District. This interagency approach to "problem sharing and solving" has been well received and has enhanced the law enforcement effectiveness of the agencies involved.

THE WHITE HOUSE
WASHINGTON

August 15, 1977

Secretary Kreps -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: Panama Canal Treaty

THE WHITE HOUSE
WASHINGTON

cc
/cep

THE SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

Juanita J

August 12, 1977

"FYI"

THE PRESIDENT AND VICE PRESIDENT

REPORT TO THE PRESIDENT

Support for Panama Canal Treaty

I had the opportunity to talk with Reginald Jones of General Electric and Irving Shapiro of DuPont in advance of the formal announcement of the Panama Canal Treaty. Each man expressed his appreciation for the Administration's thoughtfulness in contacting him in advance. They both promised to express support for the treaty through their own public relations offices. Shapiro further agreed to contact other members of the Roundtable with that recommendation. I will continue to pursue this matter.

Proceed - Important

Mid-August Breather

This has been a relatively quiet week with regard to external Departmental activities. In the main, we have been able to focus more of our efforts on longer range issues which will become increasingly important in the months ahead. Examples of such issues would include: a revitalized trade adjustment assistance program, impact of tax reform options on capital formation and business activity, DoC reorganization needs (to include planning for the integration of telecommunications and statistical policy functions), trade deficit implications and alternatives, planning for the White House Conference on Balanced National Growth and Economic Development, and the development of practical options for promoting increased corporate social responsibility.

Commerce Support for New Presidential Initiative

Press reports from Plains this past week have encouraged the U.S. Department of Commerce to adopt new policies emulating the White House leadership in outdoor recreation. Secretary Kreps, upon her return from North Carolina, will be requested to authorize creation of a special all-Commerce, ringer-free softball team to take on the White House. (It is safe to assume that this would be a mixed team.)

Sidney Harman

Sidney Harman
Acting Secretary

THE WHITE HOUSE
WASHINGTON

August 15, 1977

Joel Solomon -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: GSA Participation Certificates -
Richmon, California.
Base Closure Meeting
Changes in Postal Service Fees

THE WHITE HOUSE
WASHINGTON

cc Solomon



United States of America
General Services Administration
Washington, D.C. 20405

To Say
J

Administrator

THE PRESIDENT'S FILE

August 12, 1977

17 AUG 12 1977

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on GSA Activities

Carson City Silver Dollars

Amy Nathan and Donnie Radcliffe of the Washington Post released a story last week on the Carson City Silver Dollars held by GSA. With White House approval, these will be offered for sale and can be expected to bring anywhere from \$15 to \$30 each. The publicity generated by the Post story has caused a great increase in the number of inquiries regarding the Silver Dollars. We have already received many letters from people interested in acquiring one or more -- many with checks included.

Public Service Campaign

A mid-May public service campaign conducted by the Consumer Information Center has met with great success. In the 12 weeks since the campaign was launched, more than 100,000 consumers have written for a free copy of the Consumer Information Catalog.

Norfolk FIC Opens

The 38th Federal Information Center opened in Norfolk, Virginia, on July 18. With the opening of tie-lines to Norfolk from Newport News, Richmond and Roanoke later this year, there will be a total of 81 metropolitan areas served by FIC's.

Series G GSA Participation Certificates - Richmond Redevelopment Agency, Richmond, California, Bond Issue

The Richmond Redevelopment Agency has requested that GSA waive its optional redemption rights on its Series G Participation Certificates so as to assure the continued real estate taxability of the SSA Payment Center constructed in Richmond out of the proceeds of the Series G Certificate sale. Richmond has asserted that its proposed issue of \$6 1/2 million in tax increment bonds will not be marketable so long as GSA retains the right to remove the SSA Payment Center from the tax rolls by exercise of its optional redemption rights. The Richmond request, if assented to, would set a precedent affecting the continued payment of approximately \$1 billion in local real estate taxes on dual system purchase contract projects.

Protect
the U.S.
public's
interest

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for Preservation Purposes**

GSA's Office of Records Management Recommends Changes in Postal Service Fees

900 d
The Office of Records Management has proposed changes in U.S. Postal Service fees that could save Federal agencies up to \$1.9 million a year. Because the Government self-insures its mail, Federal agencies do not need the indemnity protection provided by registering and insuring mail. Therefore, GSA has proposed that the Postal Service eliminate, for Federal agencies, that portion of the registry fee charged for insurance and revise its regulations to stop agencies from registering or insuring mail to obtain indemnity protection. This proposal would not apply where the use of registered mail or insured mail is required by mail.

D.C. Police Department Request to Purchase Law Enforcement Vehicles

Members of the National Automotive Center met with representatives of the D.C. Police Department to discuss details of the first requirement of the D.C. Police Department ever submitted to GSA for purchase of law enforcement vehicles. Their requisition represents 70 midsize law enforcement sedans and 60 compact law enforcement sedans with an estimated dollar value of \$620,000.

American Bar Association Panel

The Director of the Federal Register chaired a panel presentation at the American Bar Association convention in Chicago. Discussion centered on the responsibility of lawyers to write legal documents in language that their clients can understand. This has some applicability to the Federal Government as well.

California Forest Fires

Some 400 forest fires continue throughout California mostly caused by lightening and compounded by drought conditions and water shortages. Our Federal Supply Service facility at Stockton, California, continues to work virtually around the clock providing fire suppression materials and equipment. We have received numerous compliments from State and Federal officials for this prompt and effective support.

Meeting With DOD on Base Closure or Realignment Program

900 d
On August 4, members of my staff and I met with representatives of DOD to discuss White House interest in the base closure process and GSA's objectives to be more responsive to the need for more intensive land reuse planning in the real property disposal program. The need for GSA to become involved in the base closure process at an earlier date than present procedures provide was discussed in depth. DOD endorsed our proposal that real property and its subsequent economic civilian use should be administered outside the Defense Department, and they supported our suggested realignment of the land reuse function. A position or policy paper on this subject will be developed and cleared with other affected agencies and OMB prior to submission to the White House.


JOEL W. SOLOMON
Administrator

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for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

August 15, 1977

MEMORANDUM FOR
THE HONORABLE BOB BERGLAND
Secretary of Agriculture

RE: Weekly Report

The President reviewed your memorandum of August 12 on the above subject and made the following notation regarding the paragraph on "Grain":

"Set aside needed"

Please follow-up with appropriate action.

Rick Hutcheson
Staff Secretary

THE WHITE HOUSE
WASHINGTON

put Pres's comment
in memo to
Bergland



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

①

1977 AUG 12 PM 1:21

August 12, 1977

THE PRESIDENT HAS BEEN.

MEMORANDUM TO THE PRESIDENT

THROUGH Jack Watson
Secretary to the Cabinet

SUBJECT: Weekly Report

GRAIN. Latest crop reports confirm difficult excesses of wheat and more than adequate supplies of feed grains. Set-asides, at least for wheat, must be considered.

The U.N. Food and Agriculture Organization predicts the same situation worldwide, suggesting that cereal crop production will be 20 percent above consumption. Under these conditions it is doubtful that we would be criticized for a set-aside action.

*Set aside
needed*

MEAT. Domestic beef, pork and poultry production is high enough to prevent any large increases in market prices.

Unfortunately, higher consumer incomes will probably lead to higher retail prices.

ASCS - FmHA. An updated report on the status of appointments is attached. sent to HJ.

TRIP. After taking part in nine Q & A sessions in Iowa and Arkansas, I couldn't find the supposed "revolt" in the heartlands against the Administration. Of course they are concerned over prices, but the folks seem generally pleased with the way things are going.

Since farmers are not known for their politeness toward secretaries of agriculture, I tend to believe what I saw and heard.

BOB BERGLAND

Attachments-2

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THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

THE PRESIDENT HAS SAID,

August 11, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Lyle E. Gramley
Acting Chairman

Subject: CEA Weekly Report

Regulatory Reform. A number of regulatory reform initiatives have occupied CEA staff members this week. We worked with OMB to develop Bert Lance's memo to you on regulatory procedures. With EPA we have been tracking the progress of the water pollution act amendments now before the Congress. We are working with OMB and Labor to get the Task Force on OSHA underway.

Economic Impact Analysis. CEA has circulated for comment a new proposal for an economic impact analysis program. The proposal reflects comments received on earlier drafts. When comments are received from all affected agencies, we will make suitable modifications in the plan and present it to you shortly.

Jobs Programs. Staff at OMB, Treasury, Commerce, Labor, and the CEA have begun a joint evaluation of the economic impact and interrelationships of the several elements of the fiscal stimulus programs proposed by the Administration.

Tax Reform. Our discussions with Treasury on the appropriate form of business tax reform have continued. We also are examining the taxation of charitable contributions and other aspects of the tax reform proposals.

Oil Imports. CEA is examining the reasons for the surge of petroleum imports in 1977, with particular attention to the proposition that oil companies may be stockpiling oil.

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for Preservation Purposes**

Humphrey-Hawkins. Representatives of the Domestic Council, CEA, Labor and other agencies are meeting today to discuss a response from Humphrey-Hawkins to the Administration's proposed alternative Humphrey-Hawkins bill. Their response is in the form of a revised bill that appears to suffer from many of the drawbacks of the original bill.

Debt Management. CEA is studying Treasury debt management policies in preparation for a discussion of the issue with Treasury soon.

Agriculture. CEA staff members are examining the arguments for and against setting aside cropland in 1977 and 1978 in order to slow the buildup of stocks of grains. You will have to decide shortly whether such set-asides should be ordered. We also are studying the farm bill emerging from the Congress in anticipation of its coming to you for signature or veto.



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

August 12, 1977

57 AUG 12 PM 4 17

THE PRESIDENT HAS SEEN.

MEMORANDUM FOR: The President

SUBJECT: Weekly Report of Major Departmental
Activities

The following are brief descriptions of significant activities at the Department of Housing and Urban Development.

Program Launched to Aid Rural Poor. Four states -- Illinois, California, Colorado and West Virginia -- have been selected to participate in a joint HUD-USDA program to develop better methods for delivering services under community development and housing programs to rural "hard to reach" lower income persons. The demonstration program, jointly sponsored by HUD and the Farmers Home Administration, will run for two years. Projects in target areas will include housing rehabilitation, new home construction, winterization of dwellings, water and sewer projects, and other community development activities.

Rehabilitation Loan Assistance for New York City. On August 3, the Department authorized the use of up to \$5 million in Section 312 Rehabilitation Loan program funds to aid businesses that suffered property damage during the recent blackout. This assistance is part of the economic assistance package announced by the Secretary of Labor, and will be used for rehabilitation of commercial properties.

Section 8 Activity Continues At Strong Pace. As of the week ending August 5, Section 8 construction starts during Fiscal Year 1977 totaled 66,940 units. We are, therefore, confident that we will meet or exceed our goal of 80,000 construction starts this fiscal year.

Flood Relief Continues in Johnstown. More than 24,000 persons registered for assistance in the 8-county disaster area and the outreach program still is continuing through community groups and mobile teams of Federal representatives. As of August 8, HUD had received 4,199 applications for housing assistance, with 3,339 families and individuals already determined eligible for assistance. We estimate that some 3,600 housing units will be required as a result of the flood. To date, 69 families already have been housed.

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for Preservation Purposes**

Cash advances to local governments, funded by the Federal Disaster Assistance Administration, are being provided through a field disbursing office established by the Department of the Treasury. This new process permits the Federal Government to respond to local requests within 24 hours.

HUD Assists in Lead Based Paint Poisoning Prevention Training. Members of the Department's research staff are assisting the Center for Disease Control to establish a training center at the Detroit lead based paint prevention project. The training center will offer a course for health and housing personnel to assist them in identifying lead hazards in a lead-poisoned child's environment. HUD will furnish training materials on the use of lead detectors and lead calibration standards developed under research contracts of this Department.

Major Milestone Reached in Zero-Based Budgeting Process. After a week of intensive deliberation, the Department's Management and Budget Review Committee has formulated its recommendations to me for the Department's Fiscal Year 1979 Budget. The Committee used computer technology to assign a rating to decision packages, arrange and rearrange priorities in successive sessions, and receive virtually instantaneous feedback on the impact of their decisions so that further changes could be made. OMB has expressed some interest in using the computer program developed by HUD for its ZBB process.

The ~~attached~~ photographs illustrate the involvement of key HUD officials in the ZBB process and their commitment to the development of a sound program implementing this Administration's priorities during Fiscal Year 1979.


Patricia Roberts Harris

Attachment



THE PRESIDENT HAS SEEN.

THE SECRETARY OF THE INTERIOR
WASHINGTON

August 12, 1977

AUG 12 PM 10

C

MEMORANDUM TO THE PRESIDENT

FROM: Secretary of the Interior

SUBJECT: Major Topics for the Week of August 8

During this week, I have reviewed my priority list that was written last December and despite the individual traumas we have accomplished a surprising number of our first year major goals.

1. Strip Mining Bill
2. Outer Continental Shelf Amendments
3. Improvements in National Parks operation.
(More to do, however, but a good start.)
4. Amendments are prepared to the Mining Act of 1872.
5. Alaska D-2 land selections are on schedule for September 15.
6. Our Redwood position is solid and passed the House
7. Natural resource reorganization is moving.

In addition, we have continued all the day-to-day activities, and I believe I can honestly say that the Interior Bureaucracy is finally responding to new leadership. Not all of it, but any is an improvement.

All in all, Mr. President, not a bad start.

Have a good week end at Camp David.


CECIL D. ANDRUS

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for Preservation Purposes

RETURN THIS RECEIPT IMMEDIATELY TO

Rick Hutcheson

REGISTRY NO.

UNCLASSIFIED DESCRIPTION
(Serial No., File No., Subject)

Weekly Report of Activities

DATE

8/15/77

INCLOSURES

ADDRESSEE

**The Honorable W. Michael Blumenthal
Secretary of the Treasury
Washington, D. C. 20220**

Receipt for communication(s) described above is hereby acknowledged by:

ADDRESSEE'S SIGNATURE

S. Snowden

DATE RECEIVED

8/16/77

TO BE RETURNED TO THE WHITE HOUSE OFFICE

CLASSIFIED MATERIAL RECEIPT

16-70495b-1 GPO

THE WHITE HOUSE
WASHINGTON

August 15, 1977

Secretary Blumenthal -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: Steel Industry Problems

CONFIDENTIAL ATTACHMENT

THE WHITE HOUSE
WASHINGTON

cc Blumenthal



~~CONFIDENTIAL~~

THE SECRETARY OF THE TREASURY
WASHINGTON
August 12, 1977

F.Y.I.

Mike
J

1977 AUG 12 PM

-THE PRESIDENT HAS SEEN.

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

DECLASSIFIED

NLC-00-137

PER 12/1/01 Treasury/Tr
EX 10 NARA DATE 4/24/07

1. GERMANY

As I indicated in my report on my discussions with Finance Minister Apel last weekend, the Germans are now convinced that additional stimulus is needed to raise their real growth rate -- now running about 1 point below the 4½-5 percent target they accepted at the London Summit. They have now committed themselves publicly to taking action, and have told us privately that on August 31 they will announce (1) a combination of revenue and expenditure measures to increase the fiscal deficit by DM 10 billion (about \$4.4 billion); and (2) an energy-saving action. With these measures, they expect real GNP growth of 4½ percent in 1978 -- though because of the long lead times involved the 1977 result is likely to be very disappointing.

Incidentally, I have told Apel that I will be happy to accept his invitation to visit Germany at the beginning of November.

2. STEEL INDUSTRY PROBLEMS

On August 8 I met with a group of steel company executives, led by Speer of U.S. Steel, who were anxious to press their problems with me as they had done previously with Bob Strauss. They stressed that the increasing volume of imports (recently about 18 percent of apparent consumption) was just the beginning of Japanese and EEC producers' efforts to penetrate our markets. Although they did not say so directly, it was clear that they wanted some sort of import relief. I told them that Treasury would enforce the anti-dumping laws vigorously, and urged them to bring such cases to our attention. At the same time I asked them why they did not emulate the Japanese, who reduce rather than raise prices in times of slack demand. They replied that this would not be effective for U.S. producers,

Electrosteel Corp. filed
for bankruptcy

~~CONFIDENTIAL~~

I find their
frequent & excessive
price increases incompatible
with pleas for import
restraints
J. C.

~~CONFIDENTIAL~~

- 2 -

since they do not have access to a free global market and only the U.S. market is free to world competition. Moreover, they said, they could not afford to lower prices in periods of slack demand because public pressure kept them from increasing profit margins in periods of increased demand. I told them that we would give their problems further study, but at the same time I asked them whether higher labor costs here might have undermined their ability to compete. (Another problem is the technological superiority of some of the newer foreign plants.)

3. NEW YORK CITY

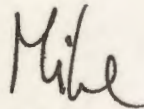
We are scheduled to lend New York City another \$150 million on August 16. This would raise the amount loaned since July 1 to \$900 million.

The City is negotiating to do one of its next few seasonal borrowings in the public market, rather than from Treasury. It appears that such a public borrowing, its first since 1975, might be accomplished in late September or October. The credit agreement between us and New York City requires them to borrow on their own, if at all possible. We have been urging all local parties toward this objective, and they have been cooperating.

4. DOMESTIC FINANCE

Our \$3.25 billion 3-year note offering last week attracted a record amount of bids (\$7 billion) for this maturity. This is vivid evidence of continued, ample liquidity in our financial sector.

Nevertheless, interest rates have begun to rise again, prompted by further tightening by the Federal Reserve's Open Market Desk. Late this week, the Central Bank raised the key Federal funds rate from 5-3/4 percent and it is expected to settle at the 6 percent level. This could result in a prime rate increase in late August or early September.



W. Michael Blumenthal

~~CONFIDENTIAL~~